App. F. IX-4

1937-8
(1rc)

File No. 350-37
Serial Nos. 1-4

Previous References

Letter References.

80

GENERAL AND REVENUE SECRETARIAT.

Serial Nos.

Part B for Dec 38

SUBJECT.

Manufacture of "Bakelite" products

WD 0418—GPB—22,500—29-3-36

Serial No.

No. 482/37-38
dated 4-4-38.

Note on the manufacture of Synthetic Resin.

The papers received from the Private Secretary to the Dewan on the 14th March 1938 and my reply to him of that date are enclosed. A note by Mr. Maurice Frydman dated the 15th March 1938 as regards the proposal for Moulding Products Ltd., is also enclosed.

2 In my opinion, it is not necessary to hand over this enterprise to a foreign capitalist. A local company may be floated after the Bakelite section of the Factory is established. Even now, a local company may be incorporated on the lines indicated by Mr. Frydman in his note.

3 As regards the manufacture of Synthetic Resin, I had a further talk with Mr. S.G. Sastry about the subject. He had consultations with Chemists at the Mysore Iron & Steel Works today at Bhadravati. He suggests that the subject of the manufacture of Synthetic Resin may be entrusted for detailed study and very early report to Mysore chemists under his general guidance. A preliminary note on the subject prepared by him is enclosed herewith. The note is of general interest at this stage indicating only the broad outlines. Practical details taking an estimated demand of 250 tons of Synthetic Resin by the Government Electric Factory are being worked out. The scheme will be ready in about a month's time.

2

We have now reached a stage when the different factories that the Government are interested in should work in close co-operation, each utilising the bye-products of another sister industry. The manufacture of Synthetic Resins will afford such an opportunity to the Mysore Iron & Steel Works, The Mysore Sugar Company, The Mysore Chemicals & Fertilisers Ltd., and the Government Electric Factory.

4 I am, therefore, of opinion that ~~there~~ the proposition put forward by Mr. M. George Serlui may be dropped, in the cause of the development of the State's resources by local talent and local interests.

To the Dev. Secy with Compliments

4/4/38

Camp: Bhadravati,
Dated 4th April 1938.

5. Mr. Serlui met me twice and discussed some of the points.

6. I agree with Dr. Raman that there is no need to associate a foreign capitalist with the manufacture of the finished products and their sale in India. The work that has so far been done by Dr. Fryxman had conclusively demonstrated that there is a paying market even

Serial No.

importing the plastic powders.

7 But the main thing is the manufacture of the plastic powder and here Mr Sastry's proposal is that work should be undertaken to manufacture it with formaldehyde etc by the time honoured methods. But in the plastic world, new processes are being discovered every day and improvement effected and there can be no profit or at any rate a large profit unless we develop a new process.

8 Mr Sastri claimed that the American chemist he is associated with had such a new process employing raw materials found in Mysore and he estimates the manufacturing cost at Rs 150 a ton. He showed me certain samples. If the powder from which these samples have been pressed can be made at 150 Rs a ton, I would certainly vote for the Mysore Govt examining the scheme further and acquiring the rights for themselves or form a company to be formed under their auspices.

9 But Mr Sastri was naturally very reticent and would does not seem to be anxious to give any details or confirmating

Manufacture of synthetic resin

V

File No. of 193 .

General and Revenue Secretariat

DEWAN'S OFFICE
12 APR. 1938
No. 6829

SECOND MEMBER ... ICIL,
9 APR. 1938
No. 7544

evidence till he is certain of the Mysore Govt's attitude. On the other side, equally a Govt cannot make even conditional promises without full knowledge of details.

P Mr Sirkar proposes to (?) meet the Dewan in Ooty on Tuesday or Wednesday. It would perhaps be worth while getting the chemist here and have a general discussion. Even people who take out patents give some general information but Mr Sirkar is very reticent probably because he is guarding the interests of a firm. But a final decision does not seem possible unless they are a little more open. I however feel that the matter is worth looking into.

Secretary to Dewan

9.4.38.

11/4/38

Mr Sirkar has just been to see me (along with Mr Saudaramurthi) I have suggested that he get their Chemist down to Bangalore so that their Sirkar's proposals might be gone into more carefully by Mr Sastry & Dev. Secy etc ~~[illegible]~~. I have told him that. I am personally in favour

Serial No.

17

of entrusting the manufacture of the powder to an independent Company and also of the articles, as that Govt. ought to give them all reasonable facilities. I think we should probably ask that the Chairman should be a nominee of Govt.
I have suggested to the S. to see the II Member & discuss the matter with him also. I shall be in Bangalore myself in a couple of days. We can discuss the matter further & come to a decision.

13-4-38

13 [illegible]
16/4/38
16.4.38.

14 The subject was discussed by the Dewan with Mr Sealy, Mr [illegible] Mudaliar [illegible] when the Superintendent, Mr Ramanathan, Mr [illegible] and myself were present.

15 It was decided that it would be preferable ~~to form~~ to form a limited liability company for taking over the Bakelite section and expanding the operation. Govt. to take the value in shares. A committee

NOTE—Contn. Sheet.

under the chairmanship of Mr Ramanathan was appointed to consider and settle the details.

MW.
26.4.38.

10 As instructed by the Dewan on the 19th April 1938, a meeting was held on Friday the 22nd April, at which the Development Secretary, the Director of Sandalwood Oil Factory and the Superintendent, Government Electric Factory, and also Mr. M. George Serlui, Mr. V. Sundaramurthy and Dr. R.W. Linton were present, when the proforma prospectus placed in the file and produced by Mr. Serlui was discussed. At that meeting, Mr. Serlui and Mr. Sundaramurthy stated that in view of their having developed the scheme and undertaking to canvass for a large block of share capital, they should be made Managing Directors on a salary of Rs.2,000/- each per month, with a formula for bonus on profits, and that Dr. Linton should also be given Rs.2,000/- a month and royalty on the powder ~~of~~ manufactured under his patents ~~that may be produced and consumed in the Factory.~~ ①

11 All of us except the Superintendent, Government Electric Factory, met again on Saturday the 23rd April Messrs. Serlui and Sundaramurthy were informed that the Government could not sponser a company with Managing Directors as proposed and that unless the Company to be floated would work on lines similar to the Mysore Paper Mills Ltd., the proposal might be dropped and the Government would have no objection

to give facilities other than participation, if Messrs. Serlui and Sundaramurthi should float a company themselves. After some discussion, Mr. Serlui promised to submit alternative schemes on (3) & (4) Monday the 25th. On Monday also, he pressed for the Managing Directors' proposal as per his letter in the file. He was again informed that this was quite unacceptable to the Government and that he might develop the alternative proposition of floating a company without Government participation if he desired to have a share in the management of the proposed company. Thereafter, Mr. Sundaramurthy and Mr. Serlui saw me on the 26th April, with their (5) proposals contained in their letter of that date.

18 They have withdrawn the proposal of Managing Director. They desire that each of them should have a seat on the Board of Directors for a period of 5 years. They want that the sole selling agency of the products of the new company should be vested in a firm under formation, namely, "Vellum Serlui & Co.", apparently consisting of Mr. V (Vellum) Sundaramurthy and Mr. M. George Serlui, on terms indicated in items 3 to 10 of their letter of the 26th April, and that in addition, each of them individually as well as their joint firm, should be given a commission of 5% on all shares secured by them respectively, and also similar commission to other brokers.

19 After obtaining instructions, I informed them

that the Government would not object to the Company giving them seats on the Directorate for a period of 5 years and to facilitate the grant of the sole agency to them by the Company on terms to be settled with the Company, that, in particular~~ly~~, the question of the monthly allowance would be one that would have to be gone into by the new Company as the amount would be out of proportion to the present production or the anticipated production till all the 100 contemplated presses were in full working order.

As regards brokerage, I told them that the Government could not possibly associate their name with a concern which paid such heavy brokerage, that the highest brokerage paid by any concern with which the Government had been associated was 2 annas per share of Rs.10 value, ~~as brokerage~~ and 4 annas per share of Rs.10 value as underwriting commission (The Vegetable Oil Products Ltd.). I told them also ~~that~~ the actual brokerage that the new company had to settle, and that in case their point was that they should get any special commission on the ground of previous canvassing, they might indicate the extent to which they ha~~ve~~d canvassed, and if possible, the parties also and specify ~~some~~ the special commission which they would like to get. Mr. Serlui's letter of the 27th April indicating that between them they would be able to secure 6 to 7 lakhs of rupees and asking for a special commission of 2½% is placed in the file.

(8)

(6)

It was settled also on the 26th April during ~~the~~

discussion that it is unnecessary to set down ₨.30 lakhs as the authorised capital of the concern and that it should be sufficient to float a company with ₨.20 lakhs of which only ₨.10 lakhs would be called up immediately and the balance of ₨.10 lakhs would be called up only when further expansion became necessary. I reminded them that this was the proposition they placed before the Dewan on the 19th April 1938. They agreed.

22 Dr. Lanton at this stage wanted to know what arrangements could be made in respect of him. I reminded him of the discussions on the 22nd and asked him to send a definite proposal in writing as to the terms on which he would be prepared to enter into an agreement with the new company. His letter of the 26th April is placed in the file. He wants facilities for preliminary experiments to be given to him from about the 13th May 1938. He intends to go out of India for 4 months after demonstrating the usefulness of his powders and to return by about the 1st Septr.1938. He desires to be paid ₨.2,000/- a month from the date of his return and also royalty as per scale that he has suggested, after he has worked off at ₨.15 per ton the salary that he might have drawn between the date of the commencement of his contract and the date of the actual manufacture of powder to full capacity.

23 I submit below my recommendations in respect

10

of each important point arising out of the discussions, for favour of early orders of Government, as Mr. Serlui and Dr. Linton desire to know as early as possible how the final position stands.

1. Necessity for the Company.-

As noted by the Development Secretary on 20th April 1938, it was decided at the meeting in the Dewan's ~~room~~ chambers on the 19th, that it would be preferable to form a limited libability company for taking over the Bakelite section of the Govt. Electric Factory, and expand its operation. It was also decided that in the event of a company being formed, Government would take shares to the maximum extent of 1/10 of the capital ~~on the~~ and to accept~~ed~~ the value of the present Bakelite section of the Govt. Electric Factory in shares. The enlargement of the Factory to the limits contemplated in the present proposal would, however, be definitely profitable only in case the manufacture of the moulding powder is also undertaken, so as to secure for this company a definite advantage over other companies situated at sea ports or at other strategic centres and using imported powder. The possibilities under this head are separately discussed below.

2. Prospects of profit.-

① The calculations given in the note produced on 22nd April 1938 were made by the Superintendent of the Govt. Electric Factory on the basis of present actual experience. They may be accepted as reasonably correct. A capital of Rs.10 lakhs would, for the

the commencement, be adequate. The Government's share of Rs.1 lakh in the capital would be met by the transfer of the existing presses, raw materials and finished articles. The question whether goodwill to the extent of Rs.17,000/- may be added ~~or~~ is for the orders of Government. This makes Rs.1 lakh. Mr. Frydman insists on the payment of Rs.25,000/- to the Government by the new company for his services in respect of the initial organisation and setting up of the entire plant in working order including the new presses. He does not want the money for himself, but he insists that it should be paid to the Government as he is under contract with the Government at present. This amount or such other amount as the Government may direct, will have to be paid in cash by the company as this will exceed 10% of the capital which the Govt. would have to take.

②

The other commitments of the Moulding section such as powder and presses under order, will have to be paid for in cash by the company as they arrive.

The present market for these products ~~are~~ is not ascertainable from the Customs Returns. The demand, however, is steadily increasing and can be educated to an indefinite extent, ~~the company~~ this being a new line. If powder can be made cheap at about Rs.150 per ton as Dr. Linton suggests or even at double that figure, i.e., Rs.300/-, there would still be a considerable saving over the present cost of Rs.700/- a ton, which

which will enable this company to reduce the value of the products and expand the market.

3. Requests of Messrs. Sundaramurthy and Serlui.- ⑤

(a) Their request to be nominated for a period of 5 years on the Directorate may be allowed.

(b) They pressed also that Mr. C.S. Loganathan of Messrs. Loganathan & Co., Contractors in Messrs. Massey & Co., Ltd., Madras, may be accepted as a Director since he promised to secure a large number of share-holders. This may be favourably considered.

The list of proposed Directors is kept in the file. The bankers, auditors and legal advisors have to be settled by the provisional Board after Govt. have sanctioned the floatation of the company under their auspices. I have told Mr. Serlui that the Development Secretary will ~~look into~~ examine the suitability of the various proposals under these heads. ①

(c) The special commission of 2½% asked for by them in their letter of the 27th April 1938 is similar to the rate of ~~writing~~ underwriting the commission promised in the "Mysore Vegetable Oil Products" Prospectus. It may, perhaps, be sanctioned in the present case, though it is not an under-writing commission but a special commission for preliminary canvassing. ⑥

(d) As regards the details of the Sale agency, the sole selling agency could be given only if there is a corresponding ~~applix~~ obligation to sell the entire products of the concern. Subject to such security, the grant of such agency may be facilitated for the initial period of 10 years asked for by them. It has, however, been made clear to them that the Government could only suggest such a proposition to the provisional Board, but cannot force it on the Board. The 5% commission on the goods invoiced does not appear too much.

(e) An allowance of Rs.2,000/- a month would appear to be very high. ~~and~~ To justify it there must be a minimum sale of nearly Rs.1 lakh worth of products a month. As this allowance is asked for in addition to the commission, and as they appear to ask for it almost from the commencement when the value of the products ~~sould~~ sold would be relatively small, both ~~as~~ the amount as well as the date from which such allowance may be paid would have to be scrutinized by the provisional Board. They press, however, that as a good deal of preliminary work would be necessary before even the Company has developed full operation and as it is necessary to secure orders ~~even~~ for in advance of manufacture, ~~the allowance~~ monthly allowance ~~commission~~ should be paid a few months in advance.

(f) The ~~average~~ ordinary brokerage on shares is a matter to be left to the provisional Board.

4. Manufacture of powder and Dr. Linton's terms.

Some work on the manufacture of plastic powders has been done under the auspices of the Govt. Electric Factory. A note on this subject

(9)

is placed in the file. One Mr. Gopala Rao has also done considerable work on the manufacture of plastics. But he has not ~~done~~ been able to come up with a definite proposition. The correspondence ~~with~~ between him and ~~by~~ the Govt. Electric Factory is also placed in the file. The Director of Sandalwood Oil Factory is working at plastic powder through the use of lac. Plastics answering the description "acetate of cellulose" are necessary for use in injection mould machines and this can be ~~managed after~~ manufactured ~~of these has started in~~ after the Mysore Paper Mills has commenced production. (10)

14 It is possible under these circumstances, even if Dr. Linton does not agree to our terms, to develop the manufacture of moulding powders by the new company.

15 As regards Dr. Linton's terms, he informed me that he is now drawing Rs.2,000/- a month under the Rockfeller Foundation. Mr. S.G. Sastry ascertained by discussion with him that Dr. Linton is a ~~Bio~~ Bacteriological-Chemist. Dr. Linton informed him that his work is a development of the work done by Mr. Srinivasan of Shalimar Paints, who had done this work in the Indian Institute of Science. Mr. Srinivasan had specialised in the use of Cassein for washable distempers and paints. Though I offered him, while I was Director of Industries, facilities for the development of his work here, he expressed diffidence and undertook employment in Shalimar Paints. Dr. Linton has now agreed to conduct the experimental portion of the work free of cost provided facilities are offered. (7)

16 If his experiments prove successful and if we can

Manufacture of Synthetic Resin.

6368 15

General and Revenue
Secretariat

File No. of 193 . [App. F. III—2

Serial
No.

can get the powder even at Rs.300/- a ton using local products, it would be worth while giving him Rs.2,000/- a month. But he must agree to give a minimum tonnage per month free of royalty to the Company on account of his salary, say 100 or 150 tons a month.

7798

Submitted for orders)

29-4-38

SECOND ME. [illegible]
30 APR. 1938
No. 8208

2nd Member &
Dewan
~~thro' D.W. Secy.~~

29.4.38.

27 The Dewan is making enquiries regarding the business experience and financial standing of Mr Verlui. The result of these enquiries may be awaited. Meanwhile, arrangements may be made for Dr Linton demonstrating the usefulness of the powders that he claims to have produced

A.

B.

9/5/38

Returned personally with 2nd Member's instructions
2.5.38

Dr. Ramanathan Secy

2.5.38.

6085
11.5.38.

GEN. & REV. [illegible]
DEVELOPMENT DE[illegible]

28 B. Dr Linton's letter has been separately submitted.

~~[illegible]~~ For Dewan's enquiry A.

Dewan

11.5.38.

29
11-5-38

11/5

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-8-37

30 I had a letter from Sir Homi Mehta some time ago - was it not submitted to II member?

31x Sir Homi Mehta's letter has been sent to the Dev: Sy separately today
12/5

16 Manufacture of synthetic resin — Bakelite Madras.

File No. of 193

General and Revenue
Secretariat

Member's minutes in linked file

32 A draft reply to the promoters is submitted for approval or orders.

33 In the light of Sir Homi Mehta's letter, it seems necessary to end the negociations once for all.

34 From our previous experience I feel that Mr [illegible] is likely to agree to any terms we may offer but is likely to raise trouble later. ~~[illegible]~~

Secretary

MW.
13.5.38.

35 I agree MM
13/5/38

Dewan

MW
13.5.38.

KS
14/5/38.

36 ME
15-5-38

37 Letters to issue from here at once & copy to Mr [illegible]. Ramanathan chairman

MW
16.5.38.

38 Issued
Th.
16.5.38.

MW
16.5.38.

File.

KS
18/5

* Place below.

OFFICE OF THE
SECOND MEMBER OF COUNCIL,
13 MAY 1938
No. 8693

7905

G. & REVENUE SECRETARIAT
[illegible]
2? JUNE 1938
DEVELOPMENT BRANCH

OFFICE OF THE DEWAN OF MYSORE.

ORDERS.

39

DEWAN'S OFFICE
2? MAY 1938
No. ....

40 [illegible]

4) I have [illegible] the Dewan's [illegible]. Mr Sethi may be requested to see me anytime convenient to him.
The Secy to the Dewan

OFFICE NOTE.

Subs

Mr. Sethi was here this morning and has asked me to place the following matter before the Dewan:—

The letter from Sec. Ser. suddenly dropping his scheme when it had come almost to the point of fruition and he had been definitely assured that it would be put through, has come as a terrible disappointment to him. He had even gone to Colombo in this connection & he has definite assurance of getting at least 8 out of the 10 lakhs required. He has gone to considerable expense on this account & has even brought his wife down here, firmly believing that all the doubts & difficulties of Govt. in regard to the scheme had been satisfactorily settled & the scheme would be launched shortly. He would therefore like to know exactly what the further fears of Govt. are in the matter, so that he might try & remove them. He, therefore, begs for an interview at any time convenient to the Dewan this afternoon.

CE
23/5.

Phoned to Mr. Sethi at W. E. Hotel

CE
23/5.

Mr.
23.5.

Sec. Ser.
[illegible]

General and Revenue Secretariat

File No. 28 350 of 1937 [App. F. III-2

Serial No.

2 Letter no. D-8955 dated 28-5-1938 to Mr. Sethi passing orders re permitting the establishment of a Company in Mysore for the manufacture of bakelite products.

42 The letter issued to Mr. Sethi may be referred to the Chairman G.E.F. also for perusal.
31.5.38.

KS 31/5

Dev. Secy.)

43 31.5.

31/5

KS 1/6

44 Forwarded, with compliments, to the Chairman, Govt. Electric Factory, for perusal and return.

By order
K. Srinivasan 1/6/38
for ~~Secretary~~ to Govt.
of Development Depn.

No. 70/37-38 dated 8-6-38

45 Seen & returned with Compliments.

Dev. Secy

8-6-38

9.6.38

KS 9/6

NOTE—Contn. Sheet.

46

19

Submitted to the Chairman.

Re: Commercial Aspect of Plastics Industry.

I wish to state that there are five moulding companies in India, three in Bombay, one in Bhavnagar, one in Calcutta and the other in Lahore. At present there is no understanding amongst these companies as to a common selling policy, price etc. Our Factory is the sixth in the line and has passed through the initial phase and is already well stabilised.

These companies as well as ourselves are importing the required raw-material and the machinery. Only we are ahead of these companies in so far as we are able to make our own moulds and lately the presses also.

I have investigated the market for these moulded products in India two years ago and the experience since gathered has convinced me more than ever that it is necessary to have a combine of the different moulding companies and to evolve a suitable manufacturing and selling policy for the mutual good of all. In the past there has been much unhealthy competition amongst the Bombay companies including the up country Factory in Bhavnagar which affected our products sometime back slightly. Had it not been for the variety introduced by us the progress we have achieved would have been impossible. This variety has been possible as we are able to make our own moulds. When the writer visited Bombay in the year 1936 he had the opportunity to see the Directors of the companies referred to in Bombay and they readily agreed that it was essential to come into understanding amongst each other to prevent cut-throat competition and disaster.

Exactly a year ago we gave certain suggestions to Messrs. Bestolite Moulding Co., the most important of our rivals, in an informal way to take steps to materialise the ideas detailed above and address the other concerns. They took action but perhaps due to want of agreement amongst them there was no further development.

For the last two to three months there has been general depression in the market especially for the plastics trade and the move from Bombay to come into understanding has been pressing. There is real need to ~~formx~~ discuss the matter and co-operate since it is understood that the sales for all the concerns has been very dull. I have telegraphed that I ~~have~~ would be going to Bombay this weekend to participate in the discussion. I have been informed that the Directors are awaiting my arrival in Bombay.

Briefly stated the terms of reference I would discuss are as below :-

1. Formation of a combine open for all the concerns in the Plastics line.
2. The union to adopt a common purchasing policy for buying moulding powders at rock-bottom prices, and a common selling ~~selling~~ policy for the benefit of the members.
3. The union to decide from time to time the patterns to be adopted by the members as well as prices for each as well as the profit to be earned in the transaction.
4. To take such measures as are found necessary to withstand and put down the non-members.

OFFICE OF
SECOND MEMBER OF COUNCIL,
21 JUNE 1938
No. 9690

If any other terms are discussed amongst the representatives, the same will be subject to the approval of Government.

I request that I may be permitted to go to Bombay during this week end to participate in the discussions. The result of discussions will be reported to you in due course.

DEWAN.
8719

Superintendent.
Govt. Electric Factory.

GN.

47 Subd for perusal.

In view of the offer made to Mr Serkin; the question of our entering into any such combine may perhaps be deferred for the present

21-6-38

48 AW 23/6/38
2nd Member
Diwan

[illegible]

31/1938 20

General and Revenue Secretariat

File No. 35? of 1937. [App. F. III—2

Serial No.

49
I agree
Has Mr Serlini promised to let us have his answer within a fortnight time?
MI
24-6-38

50 MLL
25/6/38

51
Mr Serlini's letter has since been recd. The Dev Secy showed it to me. Please resubmit on 1/7/38
25/6

52 For further action in the light of Mr Serlini's ~~later~~ communication if any
1-7-38

Dev Secy
with compliments

53 Please put up Mr Serlini's latest letter
MW
1.7.38.
KS 2/7

54
Letter of 22.6.38 from Mr. Serlini is put up.
Mr. Serlini has reported that a meeting of the proposed Board of the Directors of the New Company would be called on 29th or 30th June 1938, and that he would communicate the decision of the Board immediately.
18/ 2.7.38.
KS 2/7

Dev. Secy
55 We may perhaps wait till the 8th for his final reply.
Dewan

56 MI 2-7-38
MW 2.7.
KS 2/7

57
Mr. Serlini's reply has not been received yet.
18 4.7.38.
MW 4.7.38
KS 4/7

OFFICE OF THE CHAIRMAN
NO. 1/38-39.
M. I. & S. W. LTD., BANGALORE

REVENUE SECRETARIAT

DEWAN'S OFFICE
2 JULY 1938
No. 13

NOTE—Contn. Sheet.

Letter d/ 6·~~9~~ 11·1938 from Mr. Serkis requesting that necessary papers may be arranged to be sent to Sir Dhanjishah B. Cooper

58 Subd. wire refers. Mr Serkis wants some papers to be sent to ~~Mr~~ Sir D. S. Cooper. It is not known what papers are referred to. This may perhaps be referred to the Chairman, G.E.F. for favour of necessary action early.

9·11·38

59 Reference is invited to Mr. Serkis' letter of 10-10-38 D requesting that Sir D B. Cooper be furnished with the information regarding the negotiations Mr. Serkis had with us. He also requests that Sir Cooper should be told of the immense possibilities of the industry and the particular advantages the State offers regarding

"N"

60 He is apparently trying to interest some financiers in the scheme of floating a J. S. Coy. for Mysore

SECOND ME... ...TIL,
11 NOV. 1938
No. 3748

products, and believes or realises that he cannot make much headway without such additional aids. It is for consideration if such a letter is necy. or expedient.

10/4

Dep. Secy.

22/10/11

67

R. 2012-38

D.O. letter No. A1.274/38-39, dated 10th Nov from the Director of I.P.C. enclosing a copy of letter from the Sales Officer at Bombay is submitted for perusal. No action need be taken on the letter from Mr Serlui dated 6th Nov 938. If Sri Cope should make enquiries, we could then think of giving a reply.

2 Minutes)

11/11/38

11.11

62 I was under the impression that Sri Dhanjishah got all the information he wanted from Mr Venkatanaranappa and more or less decided that he and his friends would have nothing to do with Serlui & his scheme. But if he is waiting for any further particulars they should be furnished to him. Mr Venkatanaranappa

23 Manufacture of Bakelite products. 2612

File No. ______ of 193 .

General and Revenue Secretariat

Serial No.

May be consulted

12/11/38

For Secy.

12/11/38

KS 12/11

63 Forwarded, with compliments, to Mr. Venkataramanappa for favour of remarks.

U.O. No 136 of 38-39 d. 15-11-38.

By order

K. Srinivasan 14.11.38.

For ~~Secretary~~ to Govt.

Development Dept.

Returned with compliments.

Sir Dhanjishah got all the information he wanted from Dr. Fyzman and myself. He felt that there could be no progress till the plant was locally prepared.

M. Venkataramanappa 16.11.38.

[illegible] Govt. dec. [illegible] as above.

17.12.38

KS 17/12

OFFICE OF THE SECOND MEMBER OF COUNCIL
19 DEC. 1938
No. 4932

Second Member

TA 19.12

If approved, the papers will be filed now. 20/12

KS 21.12.38

KS 21/12

KS 20/12

REVENUE SECR.
DEC. 193
DEVELOPMENT
21.12.38

M. GEORGE SERLUI
STOCK & SHARE BROKER

TELEGRAPHIC ADDRESS:
"VALUTA."

TELEPHONE NOS. {CAL. 679.
CAL. 5810.

CODES USED:
A. B. C. 5TH & 6TH EDITIONS
BROOMHALL'S IMPERIAL
BENTLEY'S
ACME.

c/o Netherlands Trading Society,
~~6, LYONS RANGE,~~

Bombay ~~CALCUTTA~~ 11th March 1938.

Please send this to
Mr Ramanatha for his
formulating his views on these
schemes ~~in the ordinary course.~~ as soon
as possible [illegible]
Sr. Secy.
M
13-3-38

The Right Hon. Sir Mirza M. Ismail, K.C.I.E., O.B.E., C.St.J.,
Dewan of Mysore,
BANGALORE.

My dear Sir Mirza,

I have only recently returned to Bombay and I now take pleasure in submitting to you the following proposals for the erection of a "Bakelite" Powder Plant and for taking over the existing "Bakelite Moulding Plant now belonging to the Mysore Government.

It is the objective to organize and promote the following Companies in the State of Mysore:-

(i) THE MYSORE NEOLITE PRODUCTS CO. LTD.

Objects: The manufacture of bakelite articles.

Capital: Rs 10 lacs divided into 2,000 7% Preference shares of Rs 100/- each and 8,000 ordinary shares of Rs 100/- each.

This is to be a public Company. The Promoters and their friends will take up 50% of the ordinary shares, 10% to be taken by the Government of Mysore and the remainder to be offered for public subscription.

(ii) THE MYSORE NEOLITE POWDER WORKS LTD.

Objects: The making of the powder, i.e. raw material for the manufacture of bakelite articles. The carrying on of research for the development of new processes and the working out of new products for the use as raw materials for the bakelite industry.

Capital: Rs 5 lacs divided into 5,000 ordinary shares of Rs 100/- each.

This is to be a public Company. The Promoters and their friends will take 50% of the ordinary shares, 10% to be taken by the Government of Mysore and the remainder to be offered to the public for subscription.

As hereabove stated it is the intention that the MYSORE NEOLITE PRODUCTS CO. LTD., shall take over as a going concern the existing plant in Bangalore City now belonging to the Government of Mysore and all or any of the assets and property of the said Government owned Bakelite Plant for the purpose of making "bakelite" articles. The Plant is to be valued and a balance sheet is to be furnished and the price agreed upon will be paid to the Government of Mysore in the form of 7% Preference shares.

GRANTS AND CONCESSIONS.

(i) The Government of Mysore to grant to the MYSORE NEOLITE PRODUCTS CO. LTD. land free of cost for the purpose of erecting thereon additional plants for the expansion of the business.

(ii) The Government of Mysore to grant to the Products Company and the Powder Company exclusive right of manufacture of products for their respective objects for a period of twenty years within the State of Mysore.

(iii) The Government to provide water at the Powder Plant free of charge. The Company to make its own arrangements for pumping.

(iv) The Government to grant special reduced rates for Electric Power, and it is suggested that the price be fixed at 0.125 of an anna per K.W.H. till the plants make a nett profit of 10% on their Capital and that the rate will be increased pro rata with the increase of the nett profits until the normal rate of 0.25 of an anna per K.W.H. is reached.

(v) To meet the preliminary expenses in connection with the flotation of the aforementioned companies, the Government of Mysore will advance a sum of Rs 10,000 for the MYSORE NEOLITE PRODUCTS CO. LTD., and Rs 5000 for the MYSORE NEOLITE POWDER WORKS LTD., or a total of Rs 15,000 which amount will be adjusted towards their subscription to the share capital of the aforementioned Companies.

(vi) Both Companies hereabove referred to will make provisions for the election to the Board of Directors of a member appointed by the Government of Mysore.

The management of the Powder Plant will be under the guidance of an eminent American Chemist, for many years connected with the

Rockfeller Foundation. His consistent efforts and research have now produced a highly purified vegetable casein from Indian sources which, for commercial purposes, can be manufactured at a very low cost.

As far as the management of the moulding plant is concerned I would appreciate it if the Government could consider loaning the services of Mr. Maurice Frydman to the Mysore Noelite Prodücts Co. Ltd until suitable arrangements for the management can be made.

The following factors are submitted for your information:

1) The raw materials which form the basis for the manufacture of socalled "Bakelite" articles are available in the State of Mysore.

ii)The manufacturing process of the raw material is a secret one, which is available to me.

iii)95% of Bakelite articles are being imported into India at the present time and the balance of 5% is produced from raw materials which have to be imported to India from Foreign countries.

iv)The demand for these articles is a constantly increasing one, Bakelite being used for manifold purposes.

v) The scope of this industry would not merely be a local one, but would be of a national character and would even open up in the course of time possibilities for export. There is definitely a ready sale throughout India and in this connection it will be appreciated that as the raw material can be produced in Mysore not only a considerable saving in production will be made, but in addition it will be possible to under-sell all articles now being imported from abroad.

vi)The erection of the Powder plant and the expansion of the moulding plant would bring additional revenue to the State of Mysore, would create employment for a considerable number of Mysore people and in its turn, this would provide indirect benefit to other local trades.

I have had an opportunity while in your city, to discuss with Mr. Maurice Frydman the feasibility of the erection of a powder plant and the expansion of the present moulding plant as a Public Limited Company. He made many valuable suggestions and also proposed that I might arrange for my American friend to come to Bangalore so that he might collaborate with him in connection with the manufacture of the raw material. This he will be glad to do as soon as definite plans for the erection of a Powder plant are under way.

It will be necessary for the proposed "Bakelite" Powder Company to enter into a contract with my American friend at an early date on the basis of a fixed salary and royalty on all inventions and/or processes as unless his services are engaged soon, it is his intention to sail for the United States on May 15th, where he has entered into negotiations with leading manufacturers for the use of his vegetable casein. An early collaboration therefore with Mr. Frydman would be advisable.-

I might furthermore mention that I have been assured the co-operation of Messrs. Batlivala & Karani, Bombay and Messrs. Patterson & Co, Madras, leading firms of Stock Brokers in their respective cities for the underwriting of the balance of the capital to be offered for public subscription, but before any committments can be made by them, it will be necessary for me to be in possession of a definite agreement with the Government of Mysore conceding the proposed grants and concessions as herein outlined or alternative grants and concessions and the acceptance of my proposals, together with a certified copy of the latest available balance sheet and a valuation report by certified valuors of the bakelite molding plant.

I shall be glad if you will give the subject matter your serious consideration and arrange a meeting at an early date so that a mutually favourable decision may be arrived at to enable a speedy consumation of the plans herein proposed.

Will you kindly wire me c/o TRADERBANK BOMBAY as soon as possible, upon receipt of which I shall come to Bangalore.

With kindest regards,

Believe me,

Very sincerely yours,

M. George Serlui

M. GEORGE SERLUI
STOCK & SHARE BROKER

TELEGRAPHIC ADDRESS:
"VALUTA."

TELEPHONE NOS. CAL. 679.
CAL. 5810.

CODES USED:
A. B. C. 5TH & 6TH EDITIONS
BROOMHALL'S IMPERIAL
BENTLEY'S
ACME.

c/o Netherlands Trading Society
~~6, LYONS RANGE~~.

Bombay, ~~CALCUTTA~~ 12th March 1938.

The Right Hon. Sir Mirza M. Ismail, K.C.I.E., O.B.E., C.St.J.,
Dewan of Mysore,
BANGALORE.

My dear Sir Mirza,

Subsequent to my letter of the 11th instant, I herewith give you an extract from an article in the leading British chemical journal, "Journal of the Society of Chemical Industry":

> "We suspect that in the next ten years the objects made
> "from plastics will be far more numerous than they are
> "today. There is every reason to believe that while
> "plastics may in many cases replace existing materials,
> "they will find a new and ever increasing field of their
> "own, the possibilities of which can only be partly fore-
> "seen. Should plastic materials become cheaper, as they
> "unquestionably will, and natural products such as fine
> "woods, rare stone, natural gums and resins, and other
> "products become more expensive, new uses for plastics
> "will unquestionably arise.
> "The industry depends very largely for its success upon
> "the development of new processes, the working out of
> "new products and the cheapening of production in every
> "way possible.
> "Those interested in both shellac and synthetic resin
> "moulding might well turn an eye to India where there is
> "as yet no competition and where there should be a very
> "large market".

In addition, I have found that the German Bakelite patents expired in 1931, resulting in a large increase in the number of German firms engaged in making phenol resins.

This field should now be open to anyone. Also in 1933 the plastics industry in England had an annual turnover of about £ 20.000.000 practically all built up since 1920.

I hope that this additional information may be of some use to you.

Very sincerely yours,

M. George Serlui

Mr Seirlam is coming for the

reception at 5 o'clock today

(with the Chemist).

Will you also be present at the

meeting –

also II Meeting of the Com

[illegible]

—

Is Mr Ramachandra Rao ? [illegible]

to [illegible] the Comm.

19-4-38

(Dr. Saha)

I have intimated Dr. B.V.R.

For perusal

Secretary

19.4.38.

[illegible]

Mr. C. E. NORONHA, M.A.,
[illegible]vate Secretary.

No. 4793

Encl. two

2

Bangalore,

14th March 1938.

My dear Sir,

I am desired to send you the enclosed letters which the Dewan has received from Mr. M. George Serlui outlining his proposals for the promotion of certain companies in the State to take over as a going concern the existing Bakelite Moulding Plant belonging to the Government and to undertake the manufacture of bakelite articles on a large scale, etc.

I am to request you kindly to favour the Dewan with your views on these schemes through the Development Secretary to Govern-

Yours sincerely,

14/3

A. V. Ramanathan, Esq., B.A.,
Chairman,
Board of Management,
The Mysore Iron & Steel Works,
BANGALORE.

Mr. C. E. NORONHA, M.A.,
Private Secretary.

PSO·4793
one

Dated Bangalore, 193
14th March 1938.

GEN. & REVENUE SECRETARIAT
DEVELOPMENT BRANCH
5442

My dear Sir,

I am desired to send you the enclosed letters which the Dewan has received from Mr. H. George Serlui outlining his proposals for the promotion of certain companies in the State to take over as a going concern the existing Bakelite Moulding Plant belonging to the Government and to undertake the manufacture of bakelite articles on a large scale, etc.

I am to request you kindly to favour the Dewan with your views on these schemes through the Development Secretary to Government as soon as possible.

Yours sincerely,
C. E. NORONHA.

A. V. Ramanathan, Esq., B.A.,
Chairman,
Board of Management,
The Mysore Iron & Steel Works,
BANGALORE.

No. 4794. Dated, Bangalore, the 14th March 1938.

Copy of the above is forwarded with compliments to the Development Secretary to Government for information.

By Order,
C. E. Noronha
14/3
Private Secretary to Dewan.

14/3
16/3

Submit for perusal; Mr Ramanathan's report may be awaited
18/17

GEN. & REVENUE SECRETARIAT
17-3-38

17/3

Dated, 14th March, 1938.

D.O. No. 446/37-38.

I have received your D.O. letter No.4793 dated 14th March 1938 regarding Bakelite Moulding Plant manufacture.

Mr. S.G. Sastry showed me at Mysore a note prepared by him, in this connection, for the promotion of a Company with the joint ~~interest~~ ownership of the Mysore Iron & Steel Works, the Mysore Sugar Company and the Mysore Chemicals & Fertilisers Ltd., all of which can contribute the necessary raw materials for Bakelite (Formaldehyde, Carbon-dioxide and Uria respectively). Mr. Maurice Frydman also has received similar information from Mr. M. George Serlui.

I shall discuss the matter with the Chemists at Bhadravati, with Mr. S.G. Sastry and with Mr. Frydman, on my return from Poona, and send my note to the - Development Secretary very early.

C.E. Noronha, Esq., M.A.,
Private Secretary to the Dewan
of Mysore, Bangalore.

1 tabletting machine
8 Presses ordered
12 under construction

GOVERNMENT ELECTRIC FACTORY

PHONE: 2046.
TELEGRAMS: "GEF" BANGALORE
CODE: A.B.C. 6TH EDITION.

ELECTRICAL ENGINEERS, ILLUMINATING ENGINEERS,
TOOL MAKERS, MACHINE CONSTRUCTORS, PLASTICS
MOULDERS, ELECTRICAL MATERIAL AND
TRANSFORMER MANUFACTURERS.
HARDWARE MANUFACTURERS.

MYSORE ROAD,
BANGALORE CITY.

15th. March 1938.

Note on the possibility of transformation of the Moulding Section of the Government Electric Factory into an independent Moulding Company.

The Moulding Industry is increasing so swiftly that within the last ten years it has become a major industry all over the world. The output goes on increasing at the rate of 100% every year.

The Moulding Section of the Government Electric Factory has developed rapidly but the demand for moulded products has developed still more rapidly and the section is suffering acutely because of lack of sufficiently extensive equipment. Eight more presses were ordered and 12 are being manufactured in the Government Electric Factory, when all are installed, it will triple the capacity of the Section. Yet we may confidently assert, that even with 30 times increase of output the market will remain far from saturation.

Expanding a very specialised industry beyond the size of a pilot factory may be too risky a proposition for a purely Government concern, and the stage has been reached, when private initiative and capital may be welcomed.

Mr. Serlui from Calcutta on his visit to Mysore last month has approached us about the feasibility of expanding our Moulding Section into a Joint Stock Company and taking over the Section with all equipment, staff and stores. We did not see anything objectionable in the scheme and have

DATE 15th. March 1938

have prepared a tentative list of equipment for the plant, as follows:

25	Presses	15 Tons.	Rs.15,000
10	- -	25 Tons.	Rs.15,000
10	- -	50 Tons.	Rs.20,000
25	- -	100 Tons.	Rs.125,000
15	- -	200 Tons.	Rs.105,000
10	- -	300 Tons.	Rs.100,000
1	- -	500 Tons.	Rs. 15,000
3	- -	Infection machines.	Rs. 45,000
10	- -	Pelleting Machines.	Rs. 30,000
50		Grinding machines.	Rs. 10,000
50		Polishing machines.	Rs. 10,000
20		Drilling machines.	Rs. 5,000
20		Tapping machines.	Rs. 5,000
100		preheating stoves.	Rs. 5,000
5		Waste grinding machines.	Rs. 2,000
		Total cost of Moulding Machinery.	Rs.510,000
	Buildings 20,000 sq.ft. under roof at Rs.2-8-0 per sq. foot.		Rs. 90,000
	Electrical installations		Rs. 5,000
	Refrigerated stores.		Rs. 10,000
	Moulds.		Rs. 35,000
		Total cost of Plant.	Rs.650,000

Having more than 8,000 tons of presses installed the consumption of powder will be 10 tons per 24 hours, assuming that ~~10 tons and~~ 3 minutes are required for moulding 1 ounce of powder. Let us assume that in the first 2 years only ½ of the capacity will be used. To keep 1 month stores and 1 month stocks the following will be required.

300 Tons of powder at Rs.1,000 per ton.	Rs.	300,000
1 month establishment and labour.	Rs.	25,000
1 month manufacturing and overhead expenses.	Rs.	25,000
Minimum working capital required.	Rs.	350,000
Total Capital required.	Rs.	10,00,000

We have suggested that only ½ of the plant may be installed immediately and worked full 24 hours; the other half may be installed after 6 - 12 months.

The original value of the moulding Section of the Government Electric Factory was Rs.35,000/- and the present depreciated value is Rs.27,000/- as on January 1938. In consideration of the goodwill gained by the Government Electric Factory the plant etc. will be handed over at the original value and preferencial shares received in payment. The staff and workers will be lent to the new concern. The services of the Superintendent may be lent for 6 months for the organisation of the factory for a lump remuneration of Rs.25,000/- payable to Government in Preferential shares too.

The Government may grant free land side by side with the Government Electric Factory and guarantee cheap water and power charges. The additional equipment and the moulding powders ordered may be sold to the new concern at the cost price or market rate; which-ever is higher.

Government Electric Factory.
SUPERINTENDENT.

MF/TP7.

Camp: Bhadravati,
Dated, 4th April, 1938.

D.O. No. 483/37-38
Enc. one note.

My dear Noronha,

Manufacture of Synthetic Resin.

Further to my letter No. D.O.440/37-38, dated 14th March 1938, I send enclosed copy of my note sent to the Development Secretary.

Yours sincerely,

Sd/- A.V. Ramanathan.

C.E. Noronha, Esq., M.A.,
Private Secretary to the Dewan of Mysore,
Camp: Ootacamund.

No. 484/37-38 dated 4-4-38. Enc. one note.

Copy of the above is forwarded, with compliments, to Mr. S.G. Sastry, Director, Sandalwood Oil Factory in Mysore, for information.

Chairman,
Mysore Iron & Steel Works etc.

ks)

A note on the possibilities of developing the synthesis plastic industry in the Mysore State.

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The manufacture of sulphuric-acid and synthetic-ammonia has made it possible for new chemical industries to be ushered into existence in the State of Mysore. The present proposal is to gather some - "loose ends" of some of the existing industries to produce something which we at present are purchasing from outside India.

2. The Mandya Sugar Factory has enough molasses at its disposal to produce all the industrial alcohol we are likely to require in the State for the next - 20 years or so. It may be taken for granted that we shall be able to get ethyl alcohol (Ethanol) at a - reasonably cheap rate after providing for a decent - profit to the Distillery. During the process of - fermentation, carbon dioxide that is produced at - present is going to waste. Even when the Government Central Distillery was located at Bangalore, I was - asked to submit a scheme to Government to utilise this bye-product, viz., carbon dioxide, so as to supply the Soda-water trade in the State. The subject was very closely studied by me and a scheme was placed before the Government. The weak point of that scheme was - that during the then existing state of affairs, we had to invest a fairly large amount of money for the purchase of steel cylinders and the Government were not disposed to sanction the scheme mainly on this score. Since - then, apart from the use of carbon dioxide in the - mineral water trade, the use of dry ice is becoming more common in important places in India and very soon it is going to have a big future even in our State of Mysore. Dry ice is nothing but solid carbon dioxide.

3. The two loose ends in the Sugar Factory are the capacity to produce cheap ethyl alcohol without having any industrial use for it ready at hand and the bye-product carbon dioxide which can be had for the cost of compression and cost of conversion into dry ice.

4. Whatever might have been the genesis of the - installation of the wood distillation plant at Bhadravati, its present condition is such that unless and until we find a ready market at economic prices for methyl alcohol (Methanol) and the grey acetate of lime, we shall have to shut down the wood distillation plant and also the refinery equipment attached to it.

5. By oxidation of methanol we get formaldehyde which finds a ready sale as one of the most potent - disinfectants and it is also an essential ingredient in the synthetic resin industry. We can also produce acetic acid from grey acetate of lime from one of the recent processes, about which the Mysore Iron & Steel Works have complete information and if we can instal a plant for this and also find an outlet for methanol, it is possible for the Mysore Iron & Steel Works to continue to work the wood distillation plant.

6. The two loose ends at the Mysore Iron & Steel Works are (a) Methanol and $b) grey acetate of lime or acetic acid.

7. The Government Electric Factory at Bangalore, which is engaged in the manufacture of articles moulded out of synthetic plastics, requires at the present scale of production about Rs.75,000/- worth of moulding powder, now imported into Bangalore either from England or from Germany. The Engineer-in-charge of the Factory informed me that during the course of another two or -

three years, he would be requiring 3 to 4 lakhs of rupees worth of moulding powder. He also informed me that what he wants is the synthetic resin moulding powder prepared out of urea and formaldehyde.

8. The loose end in this Factory is the necessity to purchase an essential raw-material from abroad and the demand for the same raw-material is on the increase, computed to go up to 3 to 4 lakhs of rupees in value in the course of three to four years.

9. The Mysore Chemicals and Fertilisers, Ltd. are in a position to manufacture synthetic ammonia and sulphuric acid at reasonable prices. There are several well-known processes by which it is possible to combine ammonia and carbon dioxide to produce urea, and combining urea with formaldehyde will give us the synthetic resin now required by the Government Electric Factory. By trying to utilise the bye-product of the Mandya Sugar Factory and the Mysore Iron & Steel Works with one of the main products of the Mysore Chemicals and Fertilisers, Ltd., we can produce an article for which there is a ready demand in the State. I am very hopeful that the demand for this synthetic resin will go up in India as days go by. Therefore, by gathering the loose ends of these Factories, we may be able to usher into existence a very important chemical industry in the State.

10. The Mysore Iron & Steel Works will have to invest certain amount of money before they can manufacture acetic acid from grey acetate of lime. A certain amount will have to be spent on machinery to convert methanol into formaldehyde. A certain amount will have to be spent for the recovery of the bye-product carbon dioxide from the fermentation vats at Mandya. A certain amount of money will be spent by the Mysore Chemicals & Fertilisers,

Ltd., before it can convert ammonia into urea and proceed to the production of the synthetic resin.

11. If this important chemical industry should come into existence, it is not at all possible to expect any one single concern to foot the bill for all the above items. But it is obvious from the above notes that each one is - interested in the disposal of important bye-products.

12. If we can bring into existence a new chemical company whose business will be to utilise the bye-products of all these concerns and prepare, to begin with at all events, synthetic resins for which there is a ready market, we shall have a bright future for this concern. The Mysore Iron & Steel Works, the Mysore Sugar Company and the Mysore Chemicals & Fertilisers, Ltd. may be requested to contribute a portion of the capital required for the purpose, the balanc being thrown open to public for subscription. By this means no single concern will be asked to risk a big amount of - money in capital expenditure and the risks and the advantages will be spread amongst a number of participents. The - Government of Mysore are interested in the welfare of all these concerns either as complete owners or partial owners of the Factories.

13. Even though I have taken synthetic resin as the most important product to illustrate my proposition, I may be permitted to state that there are a number of other - organic and inorganic chemicals that may be manufactured by the new company. I think, this question should be - taken into consideration by all the interested concerns without delay. Otherwise, it will be a perpetuation of a sorry state of affairs of there being several bye-products which are going to waste and at least one - Government Factory purchasing from foreign countries an essential raw-material which can be manufactured out

of the bye-products of industries in our own State.

14. If the Government will be inclined to favour this proposal in its general aspects, I shall be - submitting further and more detailed proposals.

Director,
Sandalwood Oil Factory.

atk).

12.4.38

No. 497/37-38. Bangalore, Dated, 12th April 1938.

To

K.K. Chatterji, Esq.,
16A, Ram Mohan Roy Road,
P.O. Amhurst Road,
Calcutta.

Dear Sir,

Your letter to the Dewan of Mysore, dated 4th April 1938, requesting to be informed whether your services could be utilised in the development of the Paint Industry or manufacture of Synthetic Resins, has been referred to me for disposal. I shall be glad to have more details of your experience in the manufacture of Synthetic Resins.

The proposal to manufacture Synthetic Resins is under consideration. We have the materials necessary for making Formaldehyde at Bhadravati. It is possible also to develop the manufacture of Carbon-dioxide, in connection with our Sugar Factory, and we shall shortly be starting a plant for Synthetic Ammonia. This will facilitate the preparation of Urea. Our Chemists and Engineers are now engaged in the development of the proposition for the manufacture of Synthetic Resins under the joint auspices of the Mysore Iron & Steel Works, Bhadravati, The Mysore Sugar Company, Ltd., Mandya, and

and The Mysore Chemicals & Fertilisers, Ltd., Mysore.

If you consider that you would like to take advantage of any prospect of employment in the development of this proposition, I shall be glad if you will come over to Bangalore for personal discussion with me, with the Development Secretary to Government and with the Director of Sandalwood Oil Factory & Managing Director, The Mysore Chemicals & Fertilisers, Ltd., namely, Mr. S.G. Sastry, B.A., M.Sc., F.C.S., who is working at the scheme. I wish to make it clear that this invitation is without prejudice on either side and we cannot undertake to meet any portion of your travelling expenses. Your present journey will be at your own discretion and at your own cost.

I shall be glad to have an early reply from you.

Yours faithfully,

Sd/- A.V. Ramanathan,

Chairman,
Mysore Iron & Steel Works, etc.

12/4/38.

AVR:KS)

No. 499/37-38 dated 12-4-38.

Enc. 1.

Copy of the above is forwarded, with compliments, to Mr. M. Venkatanaranappa, Secretary to the Govt. of Mysore, Development Department, Bangalore.

Chairman,
Mysore Iron & Steel Works etc.

ks)

Copy of letter dated 4th April 1938 from Mr. K.K. Chatterji, 16A, Ram Mohan Roy Road, P.O. Amhurst St. Calcutta, to the Dewan of Mysore.

Sorry to disturb you for this letter. I learnt, you have started almost all the main industries in your State. As I had been sent by the Calcutta University to study the manufacture of paints, varnish, cellulose and bakelite in England for three years, had the privilege of being trained in one of the biggest factories in England, beg to request you, whether you would like to start Paint factory in near future. As regards the Bakelite industry, I am told some people in your State do the art of mouldings. During ~~mm~~ my Stary in England I studied specially the manufacture of Bakelite resins. Could I request your Honour to inform me whether my help in those two industries be of any good. It is needless to mention about the prospects of those two industries in India.

Hope your Honour would be kind enough to consider about the proposition.

Thanking your Honour in anticipation.

"Copy"

Chairman,
Mysore Iron & Steel Works etc.
12-4-38-

A Note on the manufacture of Moulding Powders For the requirements of the Government Electric Factory.

The development of Plastic Industry has been very rapid and every day new uses are being found for synthetic resins in the electrical work as well as in the making of articles for daily use. The highly non-conducting property of synthetic resins combined with the ease with which they can be shaped into any design by simple moulding thereby facilitating mass production, and the attractive and lasting finish of the manufactured articles make them prominently suitable in producing electrical appliances. Recent investigations have shown that as a raw material for making synthetic resins, furfural ranks the first by (a) its cheapness, (b) the readiness with which it undergoes chemical changes to give resins and (c) some decided advantages it has over formaldehyde which has been greatly used in the Plastic Industry.

Furfural is obtained when organic waste materials like bran, rice hulls, corn cobs, molasses, begasses, etc which contain pentosans are distilled with dilute Sulphuric Acid or Hydrochloric acid. The pentosans are first hydrolised to pentoses and pentoses by dehydration yield the heterocyelic aldehyde furfural. The possibility of converting cellulose and starch to glucose by acid hydrolysis, chemical or electrolytic oxidation of glucose to pentose and dehydration of pentoses to furfural show the unlimited sources from which furfural may be obtained. Waste molasses of the sugar factories containing large amounts of uncrystallisable sugars besides gums etc can be very profitably used in the manufacture of furfural. In short most of the organic waste materials may be used up for furfural extraction.

Furfural is a very reactive substance. It gives resins both by condensation with phenols, amines, and ketones, like formaldehyde and also by polymerization like cumarone.

At the same time it is free from the pungent and irritating vapours which is a characteristic defect of formal.

GOVERNMENT ELECTRIC FACTORY

PHONE: 2046.
TELEGRAMS: "GEF" BANGALORE.
CODE: A. B. C. 6TH EDITION.

MYSORE ROAD,
BANGALORE CITY.

ELECTRICAL ENGINEERS
ILLUMINATING ENGINEERS
TOOL MAKERS
MACHINE CONSTRUCTORS
PLASTICS MOULDERS
ELECTRICAL MATERIAL AND TRANSFORMER MANUFACTURERS
HARDWARE MANUFACTURERS.

⑨

28th April, 1938.

Ref...

An experiment on Plastic Powders preparation in the Government Electric Factory and the Indian Institute of Science

Mr. Paul, M.Sc., the Chemical Engineer in the Government Electric Factory was put on some experiments for the preparation of moulding powders. The Government Electric Factory having no laboratory facilities, he was put up in the Indian Institute of Science in consultation with the authorities of the Institute. The cost of chemicals is met from the Institute, while the salary of the chemist is paid by the Government Electric Factory. The enclosed note contains the program of his work.

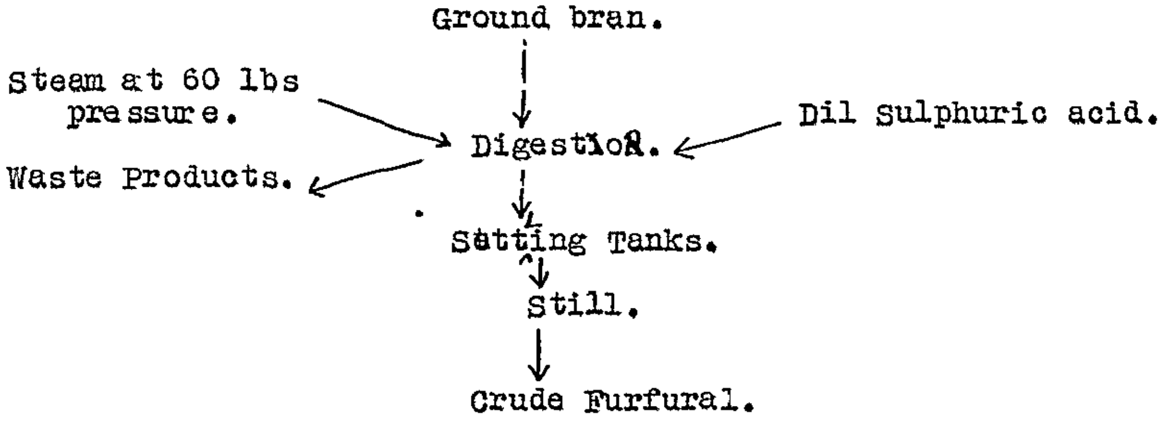
SUPERINTENDENT.
GOVERNMENT ELECTRIC FACTORY.

MF/KRI.

Manufacture of Furfural.

On a commercial scale furfural is manufactured by the following process.

I. Powdered Rice bran or any other suitable cheap material is moistened with Dilure Sulphuric Acid and digested under pressure at 140° - 150°C. At the same time live steam is passed through the hot mass and furfural is separated from the condensed vapours by distillation. ~~The~~ The Following scheme shows the details of work.



II. Successful attempts have been made recently to simplify the process of manufacture by dry distilling the pentosan containing raw material after it has been soaked in dilute sulphuric acid for about 24 hours. The method is easy to operate and gives good yield of furfural. The above process can be altered to suit different raw materials available for treatment.

Synthesis of Furfural Resins. may be classified under two heads according to the nature of the formation.

(a) Resins formed by simple polymerization of furfural with or without catalysts. Like other aldehydes, furfural polymerizes on long standing but the transformation is very slow. In presence of 1 % of ferric chloride, aluminium chloride, lead acetate or iron pyromucate as catalysts at 100° C a soft viscous acetone soluble resin which is formed first undergoes further reaction yielding an infusible and insoluble solid. Reaction may be greatly accelerated by heating under pressure at higher temperatures. Metallic iron, Nickel lead, Magnesium, zing or tin in absence or presence of an acid also catalyses polymerization.

When furfural is heated with one fifth of its weight of concentrated sulphuric acid it is transformed into a gelatinous material which becomes dense and hard and is characterized by a glossy finish and lustrous fracture. Good yield of resin is also obtained by heating furfural with Sodium hydroxide in an autoclave at 140°C - 150°C.

(b) Furfural resins obtained by condensation with phenols, Amines, Ketones and aldehydes like formaldehyde, Benzaldehyde etc.

Of the above, Acetone - furfural and formaldehyde-furfural resins are of greater importance because Acetone and formaldehyde can be obtained as by-products in the wood distillation industry. Acetone is manufactured by distillation of calcium acetate and formaldehyde is obtained by the catalytic oxidation of Methanol.

Furfural condenses with formaldehyde in the presence of Hydrochloric acid to give brownish black resin.

Acetone furfural resins. 3.5 parts of an alkali solution containing 1 part by weight of potassium or sodium hydroxide and 2.5 parts of water are refluxed, and during the course of 30 minutes one part of a mixture of equal volumes of furfural and acetone is added. The resin formed is washed while hot with dilute hydrochloric acid and dried. One hundred pounds of furfural yield 140 - 150 lbs of dry yellow resin. The method may be modified by alteration of catalyst, and temperature and pressure of reaction.

The furfural resins may be used either in making lacquers or in the manufacture of moulding powders or insulating compositions. By controlling the progress of condensation of the resin, products easily soluble in common organic solvents like acetone, alcohol amylacetate etc can be obtained.

Moulding powders : The resin is incorporated with about ~~40~~ 45 - 50 % of fillers like wood flour (ground wood), asbestos powder, cotton flakes, mica powder, celite etc., 5 - 10% of hardening agents like furfuramide or hexamethylene tetramine, 1 - 2 % lubricants like stearic acid, zinc stearate, high melting waxes etc and if necessary also plasticizers and colouring agents and moulded under heat and pressure. The mixing of above materials may be done either ~~with~~in the course of manufacture of the crude resin or after it has been powdered.

Laboratory equipment : To conduct the preliminary experiments in furfural resins a small laboratory with the following equipment will be required. :

1. General equipment	(a) apparatus	Rs.1000.
	(b) chemicals	Rs. 800.
2. Special equipments	(a) Steam generator.	Rs.300/-.
	(b) Auto clave	Rs.1000/-.
	(c) Experimental moulding press. (3 tons).	Rs.1200.
	(d) Centrifugal machine	Rs.300.
3. Library and journals etc.		Rs. 400.
	Total :	Rs. 5000/-.

Rs.5000 will be required to furnish a laboratory to conduct experiments which may take about an year for a close study of ~~tha~~ this most interesting and promising branch of plastic industry.

In case the experiments are successful, a furfural resins manufacturing section may be eventually started in the Government Electric Factory. A good part of the plant necessary we can make ourselves and only special machinery and instruments will have to be imported. The entire production of the plant will be consumed by ourselves, as even at present moment we are consuming up to 1/2 ton of powders per day and our requirements are sure to double when the experiment ~~xx~~ will be over and our own requirements will justify at that time a complete plant.

On the other hand we have chosen the furfural resins to start with, because the raw materials are mere agricultural waste and other materials necessary are or easily can be manufactured in India. They are extensively manufactured in U.S.A. and U.S.S.R.

The self sufficiency of our Factory with regard to moulding powders is an extremely important factor for its

28

stability and further development and has to be attained as early as possible. We request the Government to sanction Rs.5000/-. for the preliminary experiments.

V. Paul
Chemical Engineer,
Development Section.

Superintendent,
Government Electric Factory.

Bangalore,
28.1.38.

as sub-broker -

* This is in confidence & should be treated as such without prejudice.

Yours v. sincerely

Homi Mehta

You must be having sought him with these Congress fellows.

Pr. Secy &
H. Mem.

We must be careful with this gentleman.

M. 1701. D.O.

125 Esplanade Road

BELLA VISTA,
PEDDER ROAD,
BOMBAY.

Government 3817
MW 12.5

MO
7-5-38

5 . 5 . 38

Secretary

MW.
12.5.38

MW
12/5

My dear Sir Mirza

Your letter of the 28th April was duly to hand -

I was out of Bombay & only opened it today -

Mr Sethi is known to me casually. I dont know him sufficiently well to say one way or other. The Bakelite proposition was brought to me & I turned it down.

As to his standing I have not the least idea. The only thing I know that he is connected with Messrs Place Siddons & Gough

OFFICE OF THE DEWAN OF MYSORE.

ORDERS.	OFFICE NOTE.
	OFFICE OF THE SECOND MEMBER OF COUNCIL, 12 MAY 1938 No.
	All the papers may now be put together and submd with a draft reply to the promoters 12/5/38

C. B.

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

No.

GEN. & REVENUE
12 MAY
DEVELOPMENT

O SK

CALCUTTA L 10 23

A V RAMANATHAN PUBLIC
OFFICES BANGALORE

KINDLY WIRE ME WHETHER FORMATION MYSORITE COMPANY IS PROCEEDING ADDRESS ~~X~~ 2 RAINEY PARK LINTON

20-5-38

6017
11.5.38

Dev Secy with Compliments

36 7/9

The sequence of entries at the beginning of this telegram is—class of telegram, time handed in, serial number (in the case of foreign telegrams only), office of origin, date, service instructions (if any) and number of words.

This form must accompany any enquiry respecting this telegram.

MGIP-Ah.—1434—5-9-36—18,800.

D.O. No. D. 170-71

[illegible]

Draft.

~~General~~ and Revenue Secretariat,

Camp Mysore

~~Bangalore,~~ 16. 5. 1928

Dear Sir;

With reference to the conversations regarding the formation of a Joint Stock Company for the manufacture of Bakelite products and Bakelite powder, I am directed to state that after further consideration and consultation, Government have regretfully come to the conclusion that having regard to the conditions in the money market the present time is most inopportune for floating a Company of the kind we had in view and that the further consideration of this question may well be put off.

Yours sincerely,

M. George Sulzer, Esq
Care of Netherlands Trading Society
Bombay

V Sura Murthi Mudali Esq

GENERAL AND REVENUE SECRETARIAT,

Dated, ~~Bangalore,~~

D.O. No. D. 170-71

Camp Mysore, 16th May 1938.

Dear Sir,

With reference to the conversations regarding the formation of a Joint Stock Company for the manufacture of Bakelite products and Bakelite powder, I am directed to state that after further consideration and consultation, Government have regretfully come to the conclusion that having regard to the conditions in the money market the present time is most inopportune for floating a Company of the kind we had in view and that the further consideration of this question may well be put off.

Yours sincerely,

Sd/- M. Venkatanaranappa,

M. George Serlui, Esquire,
Care of Netherlands Trading Society,
Bombay..

V. Sundaramurthi, Esquire,
Manikkavelu Mansion, Palace Road,
Bangalore.

D. 172

Memo

Camp Mysore
16.5.1938

Copy of the above is forwarded, with compliments, to Mr. A.V. Ramanathan, B.A., Chairman, Board of Management, Mysore Iron and Steel Works, for information.

By order,

MV.

Secretary to Government,
Development Department

P.H.

Mr. M. Venkatanaranappa, B.A.,
Secretary to Government,
Development Department
D.O. No. 170-71/D

GOVERNMENT OF MYSORE

GENERAL AND REVENUE SECRETARIAT,
Camp Mysore,
~~Bangalore,~~ 16th May 1938.

Dear Sir,

With reference to the conversations regarding the formation of a Joint Stock Company for the manufacture of Bakelite products and Bakelite powder, I am directed to state that after further consideration and consultation, Government have regretfully come to the conclusion that having regard to the conditions in the money market the present time is most inopportune for floating a Company of the kind we had in view and that the further consideration of this question may well be put off.

Yours sincerely,
M Venkatanaranappa

V. Sundaramurthi, Esquire,
Manickkavelu Mansion, Palace Road,
Bangalore.

P.H.

Public Offices,
Bangalore, Dated, 18th May, 1938.

D.O. No. 564/37-38
Enc - one.

652

GEN. & R. [illegible] SECRETARIAT.
1 [illegible]
DEVELOPMENT BRANCH.

Dear Dr. Linton,

In continuation of my D.O. letter of the 10th May 1938 to you (No.551/37-38) stating that I have passed on your letter of the 5th May 1938 to the Development Secretary to Government, who was dealing further with the main question, I send enclosed, for your information, a copy of D.O. letter No. D.170-71 dated 16th May 1938 from the Development Secretary to Mr. M. George Serlui and Mr. V. Sundaramurthy, communicating the decision of Government that the further consideration of floating a Company of the kind may well be put off having regard to the money market at the present time.

Yours sincerely,

Sd/- A.V. Ramanathan.

Dr. R.W. Linton,
2, Rainey Park,
Ballygunge,
Calcutta.

Memo. No. 565/37-38 dated 18-5-38.

9H

Copy of the above is forwarded, with compliments, to the Secretary to Government, Development Department, Bangalore, for information.

AVRamanathan
Chairman,
Mysore Iron & Steel Works etc.

19-5-38

(Ks)

V. SUNDARAMURTHY

"MANICKAVELU MANSION"
BANGALORE

M.1765

23rd May 1938.

Dear Sir,

I take the liberty of enclosing original letter No.D.O.170-71/D dated the 16th May 1938 received by me from The Secretary to Government, Development Department, in the matter of the floatation of a Joint Stock Company for the manufacture of Bakelite Products and Bakelite Powder, for your persual. It is needless for me to say that the contents of the said letter have greatly depressed me. For over a month and a half I have been at great pains to work out the scheme which I had every reason to expect would soon materialise. When I called on you with Mr. Serlui at Ootacamund and discussed the entire scheme, you were kind enough to assure us that every kind of help would be vouchsafed to us to successfully float the Company. Encouraged by this assurance, I was impelled to go ahead and specially arranged for Doctor Linton to come from Calcutta who worked and collaborated with Mr. Serlui and myself on this scheme for about 10 days. All this entailed heavy personal expenditure. I am extremely sorry to find that at a juncture when my arrangements for the floatation of the Company were fairly complete and when I was daily expecting a favourable disposal by the Government, the entire scheme has been turned down on the alleged ground that having regard to the conditions in the money market the present time is most inopportune.

Permit me to state that while the condition of the money market is admittedly stringent, it is not unfavourable to the floatation of the proposed Company, the scope of which is well known to your Government. There has moreover been no change in the condition of the money market since we entered upon our negotiations under the direction of Mr. Ramanathan. If anything the condition since then has somewhat improved as is shown by the recent floatations of the I.C.I. with 5 Crores of Rupees, The Scindia Sugar Mills Ltd with 20 lakhs of rupees, which issues have been oversubscribed as have several others.

In the case of the proposed Company, Mr. Serlui and myself had already made tentative arrangements for 6 lakhs of rupees of the required Capital, 3 lakhs of which would have come from outside the State of Mysore. As the Government had expressed their readiness to subscribe 10% of the issued Capital, there would only remain 3 lakhs of rupees to be found in the open market, and I have no doubt that this amount would be readily forthcoming.

In this connection I must make a special reference to the excellent work done by Mr. Serlui. Acting on the assurance that a Company would be floated in the Mysore State without delay he entered on his work heart and soul and has been working hard to get through a good deal of spade work for over 2 months. He has now gone to Bombay, Hyderabad, Ceylon and Madras to arrange with his friends there to subscribe Capital towards this Company and has also taken steps to organise an efficient sales organisation. Mr. Serlui will be sadly disappointed at the turn of events as his entire work, at no small expense to himself, will be in vain. He would have started the Company in Hyderabad but for the assurances and encouragement given him locally, and his faith in the integrity of the different officials with whom he dealt as regards the formation of the proposed Company. It will be a great pity if his services here should result in nothing. Should this floatation not take place the friends of both Mr. Serlui and myself whom have promised to subscribe towards the Capital of the concern will lose faith in us and consequently our business integrity and responsibility will suffer severely in their minds.

In the light of the above facts may I venture to make a final appeal to you. I know that you have been a very good well wisher of our family all along and your encouraging assurances at my earlier interviews made a deep impression on my mind as to your genuine desire to help me.

Let me once again emphasise that the reason given for dropping the scheme at present is not warranted by the prevailing market conditions. On the other hand I feel that we ought not to allow the opportunity to build up a major Industry in the State slip through our hands. I am therefore making this personal appeal to you in the firm belief that you will reconsider the entire matter and favour me with an interview at an early date.

Thanking you in advance.

Yours Sincerely.

V. Sundaramurthy

Amin-ul-Mulk.
Sir.Mirza M. Ismail.K.C.I.E.,O.B.E.
Dewan of Mysore.
Bangalore.

M. GEORGE SERLUI

CONTINUATION SHEET NO.........................

BANGALORE, May 24th, 1938.

M. Venkatanaranappa, Esq., B.A.,
Secretary to Government,
Development Department.,
BANGALORE

Dear Mr. Venkatanaranappa,

With further reference to our yesterday's conversation, I am advised that Mr. V. Sundaramurthy has written to the Dewan and that his letter fully covers the points raised yesterday in connection with the floatation of the proposed Company.

I also desire to refer to my letter of April 27th, addressed to Mr. Ramanathan in which Mr. Sundaramurthy and myself undertook to secure Rs.6,00,000 towards the capital of the proposed Company. It is therefore our belief that the balance of the required capital will be readily forthcoming.

Under the circumstances, I would be grateful if you will arrange an early meeting sothat it may be possible to proceed atonce with the proposed floatation.

Should the Government feel disinclined to subscribe to the Capital of the proposed Company, I would be thankful if the Government will sanction the establishment of a Company, either with private or public capital for the purpose of taking over the present Government owned Moulding Plant and to develop the industry of synthetic resin and kindred products on a larger scale.

In such event, it is requested that the Government will not start or operate a similar concern in competition, nor permit the establishment of any other concern, having as its object the manufacture and moulding of synthetic resin and kindred products. It is also hoped that the Government will lend its fullest co-operation and extend to the proposed Company such concessions as may be helpful in the development of the industry.

An early reply will be appreciated.

Yours faithfully,
George Serlui

M. GEORGE SERLUI.

D.O. No. 177/P.S.

24th May 8

(Issued).

Dear Mr.Serlui,

With reference to your letter of date, I am directed to state that Government do not, for reasons already stated, wish to participate in the flotation of a company but if you should float a company with the necessary capital, they will be prepared to transfer the present moulding plant with all raw materials and stores on terms to be mutually settled except portions of the plant as may be required for meeting the demand of the Electrical Factory and other concerns of Government. Government will not themselves start a similar concern or encourage other people to do so if the Government are satisfied with the working of the Company to be started except to the extent indicated above for supplying their own requirements. They will also be glad to give all reasonable help in regard to the acquisition of land, supply of power and similar facilities.

Government trust that with the above concessions you will be able to establish a successful moulding industry in Mysore.

Yours sincerely,

M.George Serlui,Esq.,
West End Hotel,
Bangalore.

Jo.No.1771/P.S.
d/ 24.5.38

Dear Mr.Serlui,

With reference to your letter of date, I am directed to state that Government do not, for reasons already stated, wish to participate in the flotation of a company but if you should float a company with the necessary capital, they will be prepared to transfer the present moulding plant with all raw materials and stores on terms to be mutually settled, except ~~such~~ portions of the plant as may be ~~[illegible]~~ A. Government ~~will also be prepared to give the assurance that they~~ will not themselves start a similar concern ~~in competition~~ with or encourage other people to do so if the Govt are satisfied with the working of the company before starting. They will also be glad to give all reasonable help in regard to the acquisition of land, supply of power and similar facilities.

Government trust that with the above concessions you will be able to establish a successful moulding industry in Mysore.

Yours sincerely,

MW.

M.George Serlui,Esq.,
Bangalore.

For approval
Secretary
MW.
14.5.38

Itea
24/8/38

required for
meetings the demand of
the Electrical Factory and
other Government Concerns.

Except to the extent
indicated above for
supplying their own
requirements.

D.O. no. 178 /PS
Enc - one

25th May 8

Dear Sir,

With reference to your letter of the 23rd instant addressed to the Dewan regarding the flotation of a Company for the manufacture of bakelite products, I enclose herewith for your information a copy of letter to Mr. Serlui in the matter.

Yours sincerely,

MV.

V. Sundaramurthy, Esq.,
"Manickavelu Mansion",
Bangalore.

D.O. no 179/PS

25th May 8

Issued.

Dear Mr.Ramanathan,

In continuation of Memo No.172 dated the 16th instant, I send herewith for your information copies of further correspondence with Mr.Serlui in regard to the floating of a Company for the manufacture of bakelite products.

Yours sincerely,

MV.

A.V.Ramanathan, Esq., B.A.,
Chairman, The Mysore Iron &
Steel Works, &c.,
Bangalore.

I+c. 350-37-1

M. GEORGE SERLUI

CONTINUATION SHEET NO..........................

BANGALORE,May 25th,1938.

Amin-ul-Mulk,
Sir Mirza M.Ismail,K.C.I.E.,C.I.E.,O.B.E.,
Dewan of Mysore.,
BANGALORE

8212

M. 1781

Dear Sir Mirza,

With further reference to our to-day's conversation together with Mr.Venkatanaranappa, I would appreciate it to receive an official Government confirmation of the following points in connection with the proposed floatation of the Mysorite Products Co,Ltd., sothat I may be able to proceed atonce with plans for the incorporation and registration of the said Company.

1. Government sanction to the establishment of the proposed Company in the State of Mysore.

2. Appointment by the Government of a Director to the Board of the said Company.

3. Government Grant for the Sole Rights to manufacture and mould synthetic resin products in the State of Mysore, except as provided in Clause 4.

4. Government undertaking to transfer to the said Company the present moulding plant with all raw materials and stores on terms to be mutually settled, except such portions of the plant as may be required for meeting the demand of the Electrical Factory and other concerns of Government.

5. The transfer of suitable staff now working in the Government moulding Plant.

6. Private lands, if any, to be acquired under the Land Acquisition Act at the cost of the Company and the conversion fine on lands used for non-agricultural purposes to be waived.

7. Electric Power to be supplied to the Company at rates specially granted to large industrial concerns.

8. Use of water for the factory to be supplied on payment of the prescribed royalties.

9. The Government to sanction the development of a cottage industry throughout the State of Mysore.

10. The Government to sanction the use of the present Moulding plant until the new buildings for housing the plant have been erected, from the time the Company commences business and the purchase price of the said plant has been paid by the Company to the Government.

11. The Government to afford to the proposed Company the fullest possible facilities to further the succesful development of the industry.

I am leaving for Bombay to-morrow, the 26th, inst., on the 7.35 train and would greatly appreciate it, if you will be good enough to arrange that an Official Government Order be sent to me by return of mail

c/o The Netherlands Trading Society.,
Bankers,
BOMBAY.

Thanking you in anticipation,

I am, dear Sir Mirza,

Respectfully yours,

M. George Serlui

M.GEORGE SERLUI.

C. 3.

27/5/38
2.55 p.m

89

INDIAN POSTS AND TELEGRAPHS DEPARTMENT

BANGAL
D.T.O.
27 MAY 38

Received here at ______ H. ______ M.

X QC. SECUNDERABAD 27 54 VENKATANARANAPPA

SECRETARY DEVELOPMENT DEPARTMENT BANGALORE

= WOULD APPRECIATE IF YOU CAN SEND ME TONIGHTS MAIL EXPRESS DELIVERY OFFICIAL GOVERNMENT ORDER PER MY LETTER TWENTYFIFTH TO DEWAN CARE WARDLE ENGINEERING COMPANY HERE STOP WOULD THE HELPFUL MY NEGOCIATIONS TWOLAKS HYDERABAD CAPITAL PLEASE CONFIRM WIRE CARE WARDLE SECUNDERABAD URGENT AS LEAVING SUNDAY NIGHT FOR BOMBAY = SERLUI =

The seat ______ serial number (in the case of
foreign telegrams only), office
This form ... Telegram.

Lal Chand & Sons, Printers, Calcutta

8212

No. D 8955
(2 addresses)

28.5.38

IPC. 350-37-2

Dear Mr.Serlui,

With reference to your letter dated 25th May 1938 to the Dewan requesting issue of orders permitting the establishment of a Company in Mysore for the manufacture of bakelite products, I am desired to state that formal orders of Government can be issued after ~~you are assured of collecting~~ a substantial share of the capital required for running the concern is assured.

With regard to the various points raised in your letter, I am to state as follows:-

I have put up the draft reply after taking the [illegible] Secretary also. For favour of approval Dewan
M.V.
27.5.38.

27-5-38

1. No sanction is necessary to form or establish a joint stock ~~private~~ company in the State.

2. As Government do not participate in the Company, there does not seem to be any room for the appointment of a Government Director on the Board of Directors of the proposed Company. But if the Directorate of the proposed Company ~~are~~ is anxious to have a representative of Government on the Board, Government will be prepared to consider the request ~~favourably~~, subject to such terms and conditions as may be considered ~~desirably~~ necessary by Government.

3. As regards the grant of the sole right to the Company to manufacture and mould synthetic resin products, Government can only give the assurance that they will not start a similar concern or encourage other people to do so if they are satisfied with the working of the Company to be started. There is no provision of law under which they can grant the .

the sole rights.

& 5.
4./They will also be prepared to transfer the present moulding plant with all raw materials, stores and staff on terms to be mutually settled except to the extent ~~that may be~~ required for meeting the demand of the Government Electric Factory and other concerns of Government.

~~6, 7, 8, 9 &~~ 11. As already stated, Government will be glad to give all reasonable facilities.

10. There will be a number of difficulties in two different institutions working in the same area and possibly the same buildings; and the proposal does not seem to be workable. ~~but Government will be prepared to consider any reasonable working arrangement that may be put forward by you.~~ The payment of the purchase price should not be put off on this account.

6. This will be done

7 Electric power will be supplied at the best possible rates dependent upon the total power consumed.

8. The company will have ~~to~~ make ~~[illegible]~~ their own arrangement for water unless a Government supply is available nearby where the prescribed charges will have to be paid for the use.

9. The import of this is unclear but this seems a matter for Govt.

Yours sincerely,

M.George Serlui, Esq.,
C/O Wardle Engineering Company,
Secunderabad.

Railway address.

D.O. D 8955
(Two addresses)

28th May 1938.

Dear Mr.Serlui,

With reference to your letter dated 25th May 1938 to the Dewan requesting issue of orders permitting the establishment of a Company in Mysore for the manufacture of bakelite products, I am desired to state that formal orders of Government can be issued after a substantial share of the capital required for running the concern is assured.

With regard to the various points raised in your letter, I am to state as follows:-

1. No sanction is necessary to form or establish a joint stock company in the State.

2. As Government do not participate in the Company, there does not seem to be any room for the appointment of a Government Director on the Board of Directors of the proposed Company. But if the Directorate of the proposed Company is anxious to have a representative of Government on the Board, Government will be prepared to consider the request subject to such terms and conditions as may be considered necessary by Government.

3. As regards the grant of the sole right to the Company to manufacture and mould synthetic resin products, Government can only give the assurance that they will not start a similar concern or encourage other people to do do if they are satisfied with the working of the Company to be started. There is no provision of law under which can grant the sole rights.

4.& 5. They will also be prepared to transfer the present moulding plant with all raw materials, stores and staff on terms to be mutually settled except to the extent

extent required for meeting the demand of the Government Electric Factory and other concerns of Government.

6. This will be done.

7. Electric power will be supplied at the best possible rates dependent upon the total power consumed.

8. The Company will have to make their own arrangements for water unless a source of Government supply is available nearby when the prescribed charges will have to be paid for the use.

9. The import of this is not clear but this seems a matter for Government.

10. There will be a number of difficulties in two different institutions working in the same area and possibly the same buildings and the proposal does not seem to be workable.

11. As already stated, Government will be glad to give all reasonable facilities.

Yours sincerely,

AW.

1. M. George Serlui, Esq.,
c/o Majestic Hotel,
Secunderabad.

2. -do- c/o Netherlands Trading Society,
Bombay.

24/1800 6/12 I.C. 350-37-3

69

INDIAN POSTS AND TELEGRAPHS DEPARTMENT.

No.

Received here at 13 H. 50 M.

28 MAY 38

BRANCH.

X NE SECUNDERABAD 28-27 PURNA CARLTON HOUSE BANGALORE =

KINDLY INQUIRE VENKATANARANAPPA IF OFFICIAL GOVERNMENT CONFIRMATION MAILED HERE AS REQUESTED BY WIRE YESTERDAY, PLEASE WIRE ME CARE MAJESTIC EXPRESS SALAAMS = SERLAI =

Ser. Lu
a/c

28/5

The sequence of entries at the beginning of this telegram is—class of telegram, time handed in, serial number (in th foreign telegrams only), office of origin, date, service instructions (if any), and number of words.

This form must accompany any inquiry respecting this Telegram.

Lal Chand & Sons, Printers, Calcutta—No. 636R (B-239)—8-10-37—30,000 Bks.

Telegram.

EXPRESS.

Serlui care Majestic Secundrabad.

Letter will be ~~made~~ mailed tonight.

Devsec.

Not to be telegraphed)

For Secretary to Government,
Development Department.

H C 350-37-4

8644

TELEPHONE SOUTH

"Garden View"

~~7, ASOKA ROAD,~~
~~ALIPORE,~~
~~CALCUTTA.~~

Oomar Park
Bombay, June 1st 28.

GEN. & REVENUE SECRETARIAT.
7 - [illegible]
DEVELOPMENT BRANCH.

Dear Mr. Venkataramanappa,

I received your letter of the 28th, the original of which you sent to Secunderabad.

I am afraid that this letter does not fully answer my purpose, I shall however write you fully on the subject in a day or so.

Yours faithfully,

M. GEORGE SERLUI
STOCK & SHARE BROKER
TELEGRAPHIC ADDRESS:
"VALUTA."
TELEPHONE NOS. {CAL. 679.
CAL. 5810.
CODES USED:
A. B. C. 5TH & 6TH EDITIONS
BROOMHALL'S IMPERIAL
BENTLEY'S
ACME.

SECOND ME[illegible] [illegible]OIL
27 JUNE 1938
No. 985

25 JUNE 1938
No. M 1943

[illegible] & REVENUE SECRETARIAT.
DEVELOPMENT BRANCH.
7286

C/O Netherlands Trading
Society,
BOMBAY ~~6, LYONS RANGE~~
~~CALCUTTA~~ 22nd June 1938

DR. 350-37

The Rt. Hon. Sir Mirza M. Ismail, K.C.I.E., O.B.E.,
Dewan of Mysore,
Bangalore.

Ack
MI

Q - R
D·6864-37
To be passed on to
Dev. Secy for
information.

Letter acked. (Copy of letter up[illegible] acked)

Dev Secy } Ce
W/C } 25/6
For perusal
Sent [illegible]
MW. 25.6.
KS 25/6

My dear Sir Mirza,

Since our last discussion in Bangalore, and with further reference to Mr. Venkatanaranappa's letters to me of the 24th and 28th ultimo in connection with the floatation of a Company for the purpose of taking over the present Moulding Section of the Government Electric Factory and the development of the Bakelite industry on a larger scale with private capital, I have pleasure in informing you that I have called a meeting of the proposed Board of Directors, which is to take place on the 29th or 30th instant in Bombay. The following gentlemen are expected to be present:

Sir Homi Mehta,
Nawab Salar Jung Bahadur,
Mr. Narayandas Girdhardas,
Mr. F. G. Scowen, Bombay,
Mr. Padampat Singhania, Cawnpore,
and myself.

I have also written to Mr. Sundaramurthy and suggested that he might be present.

I expect that a final decision in connection with the floatation of the proposed Company will be reached at this meeting, the result of which I shall communicate to

File
28/6/38
MW 28.6.38.
KS 29/6

you immediately. As soon as final arrangements have been completed here for the floatation of the Company, I shall come to Bangalore to settle the terms upon which the Moulding plant with raw materials and stores may be taken over.

Yours sincerely,

M. George Serlui

Mr. C. E. NORONHA, M.A.,
Private Secretary.

PRIVATE SECRETARY TO THE DEWAN
MYSORE

Bangalore,

25th June 1938.

Dear Sir,

I am desired to acknowledge with thanks the receipt of your letter of the 22nd instant to the Dewan intimating the progress that has been made in the matter of floatation of your proposed company.

Yours sincerely,

Sd. C.F. Noronha

M. George Serlui, Esq.,
Stock & Share Broker,
c/o Netherlands Trading Society,
BOMBAY.

29th July. 8

SECOND MEMBER
29 JULY 1938
No. 583

GEN. & REVENUE SECRETARIAT
1 - [illegible]
DEVELOPMENT BRANCH

65

Dear Mr. Serlui,

With reference to your interview with the Dewan this afternoon, I am directed to state that the Government of Mysore will be glad to associate themselves with the scheme of the manufacture of moulded products if, as you have assured the Dewan, Sir Homi Mehta, Kt., Sir Kikabhai Premchand, Kt., Nawab Salar Jung and other people of similar influence have agreed to be the directors of the proposed Company. Government will be glad to subscribe a share of the capital and appoint one director on the Board. As you have already been assured, Government will afford all possible assistance to promote the interests of the Company. I need hardly add that this assurance is subject to the Government examining the Prospectus and Articles of Association and finding them satisfactory.

Yours sincerely,

MW.

M. George Serlui, Esq.,
West End Hotel,
Bangalore.

Submitted for ~~[illegible]~~ perusal.

Seen thanks

MW.
29.7.38

KS
29.7

Seen
[illegible]
30/7/38

MW
31.7.38

KS
30.7

M. GEORGE SERLUI
STOCK & SHARE BROKER
TELEGRAPHIC ADDRESS:
"VALUTA."
TELEPHONE No. 30607.
CODES USED:
A. B. C. 5TH & 6TH EDITIONS
BROOMHALL'S IMPERIAL
BENTLEY'S
ACME.

LAKSHMI INSURANCE BUILDING,
SIR PHIROZSHAW MEHTA ROAD,

BOMBAY, 3rd September 1938

1333

SECOND MEMBER OF COUNCIL,
5 SEPT. 1938
No. 1671

GEN. & REVENUE SECRETARIAT,
5 S
DEVELOPMENT

5/9/38

M. Venkatanaranappa, Esq., B.A.,
Secretary to the Government of Mysore,
Development Department,
Bangalore.

My dear Mr. Venkatanaranappa,

With further reference to your letter of July 29th, I wish to advise that owing to Sir Homi Mehta's unexpected departure for Europe, the meeting of the proposed Board of Directors has been unavoidably delayed.

It is, however, intended to replace for the time being Sir Homi Mehta with Sir Dossabhoy Bhiwandiwala, Kt., and a meeting has been called for the coming week at which the Memorandum and Articles of Association, the pro-forma prospectus as well as the Managing Agency agreement will be passed.

As soon as all documents are completed, I will forward them to you for approval by your Government.

Yours sincerely,
M. George Serlui

1731

For perusal

Secretary
Dewan

MGS/VK

5.9.38.

KS 5/9

REVENUE SECRETARIAT,
SEP 1938
BRANCH.

5-9-38

6.9.38

KS 6/9 5/9/38

M. GEORGE SERLUI
STOCK & SHARE BROKER

TELEGRAPHIC ADDRESS:
"VALUTA."

TELEPHONE No. 30607.

CODES USED:
A. B. C. 5TH & 6TH EDITIONS
BROOMHALL'S IMPERIAL
BENTLEY'S
ACME.

LAKSHMI INSURANCE BUILDING,
SIR PHIROZSHAW MEHTA ROAD,

BOMBAY, 10th October 1938

GEN. & REVENUE SECRETARIAT
13 OCT 1938
DEVELOPMENT BRANCH.

m 663

The Right Hon. Sir Mirza M. Ismail, K.C.I.E., O.B.E.,G.St.J.,
Dewan of Mysore,
Bangalore.

My dear Sir Mirza,

At a meeting held in Poona yesterday at the residence of Sir Dhanjishah B. Cooper, after discussion of the matter in connection with the formation of the Mysorite Products Co. Ltd. it was decided to request Sir Dhanjishah B. Cooper to obtain certain information from you during his proposed visit to Bangalore during the coming week.

Dev. Secy
To the Hon
& II Member.
12-10-38
12/10/38
12.10.38
13/10.

I would be grateful if you will kindly place at the disposal of Sir Dhanjishah fullest possible information in connection with the negotiations which I have carried on with you and others Members of your Government in order to facilitate an early consummation of our joint efforts to establish and develop the existing Bakelite industry on a larger scale in the State of Mysore.

I should also be much obliged if you will be so good as to impress upon Sir Dhanjishah the immense possibilities of the industry, which your Government has had the foresight to create a few years ago, and which in course of time may be developed and become a major industry of India.

May I further be permitted to suggest that you also point out to Sir Dhanjishah the particular advantages which the State offers in connection with the produce which forms the elements for the raw materials, which are available in considerable quantities in your State.

It may also be well that Sir Dhanjishah may have a talk with Mr. Frydman, Superintendent of the Government Electric Factory, who has developed the industry to its present state.

With my kind respects and looking forward to seeing you soon, I remain,

Yours very sincerely,

MGS/VK

M. GEORGÉ SERLUI
STOCK & SHARE BROKER

TELEGRAPHIC ADDRESS:
"VALUTA."

TELEPHONE No. 30607.

CODES USED:
A. B. C. 5TH & 6TH EDITIONS
BROOMHALL'S IMPERIAL
BENTLEY'S
ACME.

LAKSHMI INSURANCE BUILDING,
SIR PHIROZSHAW MEHTA ROAD,

BOMBAY, 6th November 1938

DEWAN'S OFFICE
9 NOV. 1938
No. Du. 913

GEN. & REVENUE SECRETARIAT
2517
1938
DEVELOPMENT BRANCH.

The Right Hon. Sir Mirza M. Ismail, K.C.I.E., O.B.E., G.St.J.,
Dewan of Mysore,
Bangalore.

My dear Sir Mirza,

I returned to Bombay two days ago, and had an opportunity of seeing Sir Dhanjishah B. Cooper with reference to the proposed Mysorite Products Co. and he informs me that the papers which he has requested have not as yet been received by him.

As I am most anxious to proceed with this matter as quickly as possible, I would appreciate it if you will request the Department in question to prepare the necessary papers as quickly as possible, and forward them to Sir Dhanjishah B. Cooper with the least possible delay.

I tried to communicate with Mr. Frydman (Swami Bharatananda) prior to my departure from Bangalore, but I understood that he left the station on a visit to the Chief of Aundh, and as he was to prepare certain figures, I wonder if these had been left with some one at the factory in his absence.

Thanking you for giving this subject your prompt attention,

Yours sincerely,

M. George Serlui

MGS/VK

Rev. Secy
8/11

[illegible]
9/11/38

9.11

Tels.—"INDUSCOM"

Codes used—A.B.C., 5th Edn., Bentleys.

GOVERNMENT OF MYSORE.

Department of Industries and Commerce.

Mr. M. S. RAMCHENDRA RAO, B.A.,
Director.

OFFICE OF THE DIRECTOR,
INDUSTRIES AND COMMERCE,

No. Di. 274 /38/39
Enc. One

Bangalore, dated the 10th Nov.1938.

11/11/38

GEN. & REVENUE SECRETARIAT.
2612
[illegible]
DEVELOPMENT BRANCH.

CONFIDENTIAL.

Dear Mr.Appaji Gowda,

I am enclosing for the information of Government a copy of letter No.M.2253 dated 8th Nov.'38, which I have received from Mr.J.V.Dattatreyan, Sales Officer, Mysore Government Industries, Bombay.

Yours sincerely,

J.Appaji Gowda,Esq.,B.A.(Hons.),
Secretary to the Government of Mysore,
Development Department,
BANGALORE.

MSR:SRS.

Confidential D.O.letter No.M.2253 dated 8th Nov.'38 from Mr.J.V.Dattatreyan, Sales Officer, Mysore Government Industries, Bombay, to the Director of Industries and Commerce in Mysore, Bangalore.

I understand that one Mr.George Serlvi dealing in stocks and shares, having his office in Lakshmi Building, poses himself as an expert in Plastics and is nogotiating for the flotation of company for the purpose, with a capital of Rs 20 lakhs. His wife and he have, it seems, approached the following people to be Directors with 500 shares of Rs 10/- each:

Sir D.B.Cooper

Sir H.M.Mehta

Mr.Salar Jang of Hyderabad

Mr.B.K.Garudachar

Mr.D.Mulraj Khatau.

His idea is to have factories in Bangalore, Bombay and Hyderabad (Dn). In Bangalore, he wants to purchase the moulding section of our Electric Factory, and to purchase Bombay Factory of Bestolite.

Bestolite Factory is worth about Rs 1 - 1¼ lakhs. Mr.Scoven, the proprietor and Mr.Serlvi have agreed to a purchase price of Rs 3½ lakhs, netting about 2 lakhs profit.

The Managing agency is to be given to Serlvi Morris & Co. Morris is supposed to be his brother.

I understand that he is approaching or has already approached our Government to interest them in his scheme. Hence I am writing this to you.

Since nothing is known of this person, nor of his antecedents, and all negotiations are being conducted by his wife, I would request you to thoroughly investigate the proposition and the status of this gentleman before taking part in it.

The information has come from a fairly reliable source. Kindly treat this as strictly confidential and oblige.

"copy"

10 11 38

Director of
Industries and Commerce.

SR)10-11-38.

RECTORS

for P

11

1. ~~A.V.Ramanathan.~~ Chairman.

2. M.George Serlui.)
)Managing Directors.
3. V. Sundaramurthy.)

4. Sir Martin O Foster.

5. Rao Saheb A. Thangavalue Mudaliar

6. Mr. Davaroa Shivara Rao.

7. C. S.Loganathan. of C.S. Loganathan I.C.S. Massey & Co Ltd Madras

8. J.D.R. Tata.

9. R.C.Paterson

Produced on 2/4

① Produced & discussed on 22/4

PRO-FORMA PROSPECTUS.

THE MYSORITE PRODUCTS CO. LTD.

OBJECTS. The manufacture of Synthetic Resin Products.

CAPITALIZATION.

Authorised Capital.........₨.30,000,00
Fully Paid Up..............₨.20,000,00

Divided into ~~100,000~~ 300,000 Ordinary Shares of ₨.10/- each of which ?
Payable ₨.5/- on Application and ₨.5/- on Allotment.

only 20000 ordinary shares will be offered publicly for the present

BOARD OF DIRECTORS.

(1)

(2)

(3)

(4)

(5)

(6)

(7)

BANKERS.

The Bank of Mysore Ltd Bangalore.
The Imperial Bank of India Bangalore.
1 Manickavelu Banking Corporation Ltd Bangalore.
2 Netherlands Trading Society Bombay.

AUDITORS.

1 Messrs.P.N.S.Aiyar & Co.
10A. Jaffer Syrang Street.
George Town. Madras.

LEGAL ADVISERS.

1 B.Shanker Rao. Esqr.B.A.LL.B.
Infantry Road. Bangalore.

Messrs. King & Partridge.
High Court Buildings.
Madras.

MANAGING DIRECTORS.

Mr. M. George Serlui.
Mr. V.Sundramurthy.

TECHNICAL DIRECTOR.

Dr. R. W. Linton.

REGISTERED OFFICES.

4. Race Course Road.
Bangalore City.

INTRODUCTION.

(1) TheCompany has been formed generally for the Objects set forth in the Memorandum of Association and particularly with the object to manufacture [illegible] Synthetic Resin and kindred products under the trade name of "MYSORITE".

(2) The raw materials which form the basis of the manufacture of Synthetic Resin Products are available in the State of Mysore and the manufacture of the Powders locally will considerably reduce production costs.

(3) 95% of Synthetic Resin Products are being imported into India at the present time and the balance 5% is produced from raw materials which are imported into India from foreign countries.

(4) The demand for these articles is constantly increasing, Synthetic Resin products being used for manifold purposes.

(5) The scope of this industry is not merely a local one, but is of a national character and will, further more, open in the course of time possibilities for export. There is definitely a ready sale throughout the whole of India and in this connection it will be appreciated that as the raw material can be produced in the state of Mysore, not only a considerable saving in production will be made but in addition it will be possible to undersell all articles now being imported from aborad.

(6) Synthetic Resin Products are made under a great variety of Trade names, i.e. Bakelite, Trolitan, Trolitax, Ameroid Beck-O-lac, Trolon and many others. The trade name for the Company's product shall be "Mysorite".

(7) The Development of the Plastic Industry all over the World is proceeding at the rate of 100% increase every year. The market for its products is increasing in quantity and variety at an amazing rate. It has dominated the Electrical market completely, as well as the Perfumery, Tableware and cheap jewellery markets apart from considerable markets in a great variety of other trades.

(8) The Indian Market is importing Plastic articles in Crores of rupees in the shape of Electrical, Domestic appliances, Tableware, Fancy articles, toys etc. The Electrical market is absorbing the greatest part of the imports and is steadily growing with the electrification of the country. The other lines are also imported on a growing scale.

(9) The Government of Mysore had the foresight to start three years ago a pilot moulding plant which has developed into an earning and self supporting department of the Government Electric Factory Bangalore. The Factory started with one press and developed steadily and continuously, from January 1937 to March 1938 the Sales of the moulding plant of the Government Electric Factory have increased by 500% ?

Jan 37	1674·3-9
Feb "	2307-2-2
Mar "	2536-5-0
April. "	2450-0-6
May "	3309-8-10
June "	3328·15-6
July "	1719-2-2
August 1937	2064-8-0
September "	2146-10-11
October "	4582-10-11
November "	5529-2-8
December "	5218-12-8
January 1938	6460-5-5
February 1938	5523-10-10
March "	7909-9-3

[illegible]
[illegible]
[illegible]

[illegible] 38 [illegible]

[illegible] 38 [illegible]

[illegible] 38 [illegible]

[illegible] [illegible]

Jan 1937
F1

The Factory's Moulding Department has been showing consistent profits and the Government has recently decided to triple the plant in view of the necessity to cope with the flow of orders, which are temporarily dealt with by working the plant day and night without interruption.

It is proposed to start the Mysorite Products Co.Ltd., with about 100 presses of different capacity, ranging from 15 to 500 tons of working pressure, of a total pressing capacity of 5000 tons. It requires 10 tons per one minute to mould one ounce of powder. The existing Government concern is working 24 hours per day and 160 hours per week, but assuming the plant works only 8 hours per day the total weight of moulded articles per day will be 240,000 ounces or 15,000 pounds. Taking for safety only 12,000 pounds per day, the total gross value of the moulded articles will be Rs.6000/- and the profit on them not less than Rs.600/- per day per shift. These figures are extremely conservative and in all cases established on the three years experience of the Government Electric Factory. By working the Plant for 160 hours per week as they are already doing in the Government Electric Factory, the yearly profit will come to Rs.6,00,000. The figures given ~~[illegible]~~ above are arrived at as follows:-

5 tons @ Rs 720 [illegible]

Material	Rs. 3600
Labour	Rs. 600
Overhead	Rs. 240
Power & Heat	Rs. 300
Depreciation and Maintainence	Rs. 60
Sales expenses	Rs. 600
Profit	Rs. 600
Rupees...	6000

A decrease of the cost of materials by 20% when the manufacture of various powders is began locally by the Company will double the profits.

The necessary Capital Investment on 5000 tons of presses with all necessary accessories in the form of grinding and polishing wheels, heaters, Moulds etc will come to Rs.100/- per ton and to Rs.5,00,000 in all. The Land and Buildings will come to Rs.2,00,000.

The Working Capital necessary for keeping one months stores and one months stocks will come to Rs.10,00,000. Keeping another Rs.3,00,000 for reserve, the total working capital will come to:-

Machinery	Rs. 5,00,000
Land & Buildings	Rs. 2,00,000
Working Capital	Rs.10,00,000
Reserve Capital	Rs. 3,00,000
Total..	Rs.20,00,000

Rs 3/- lakhs would do. will be raised later

The profit ability of the Plant comes to 30% and even assuming generous reserves, depreciation, a dividend of 20% seems assured.

X The Government of Mysore have agreed to hand over to the proposed concern its Plant in full ~~running~~ functional order and lend the services of the Supt. Government Electric Factory for the organisation of the new plant. ~~[illegible]~~

Cost [illegible]

The Government of Mysore have also undertaken to subscribe 10% of the ~~Capital~~ ~~[illegible]~~ issued Capital

In addition to machinery hereabove mentioned, it is intended to employ a large number of 15, 25, and 40 ton presses which can be installed in the villages throughout Mysore State for the purposes of creating a cottage industry. On these Hand Presses articles will be made suitable forthe locality, which will be collected and stored in a Depot and sold locally. All surplus being shipped to the Central Depot at Bangalore.

②

Value of the Moulding Section as on 22-4-1938.

Machinery:-

Original value	Rs.43,817-15-11	
Depreciated value		Rs.33,432-12-3
Raw materials		36,339- 3-6
Finished articles (own cost only)		13,353- 0-4
		Rs.83,125- 0-1
	Say	Rs.83,000- 0-0
	Goodwill	17,000- 0-0
Total Sale Value of the section		Rs.1,00,000- 0-0
Services of Mr.M.Frydman (payable to Government) for the organisation on the new plant.		Rs.25,000- 0-0

+ existing commitments

MF/TP6.

As you have already been advised Govt will buy [illegible] all produce to purchase the [illegible] subject [illegible] Company.

Dear Mr Sastri,

With reference to your interview with the Dewan this afternoon. I am directed to state that the Govt of Mysore will be glad to associate themselves with the scheme of the manufacture of sandalwood products if, as you have assured the Dewan, Kt Sir Homi Mehta, Kt Sir Kikabhai Premchand Kt Nawab Salar Jung and other people of public influence have agreed to ~~become~~ be the Directors of the ~~P~~ proposed Company. Govt will be glad to subscribe for a share of the capital and appoint one director on the Board. I need hardly add that this assurance is subject to the Govt examining the Prospectus and [illegible] they are finding them satisfactory.

Yours truly

Mr. George Stuart Esq.

[illegible] Fort Hill

Berry [illegible]

③

April 23rd, 1938.

The Right Hon. Sir Mirza Ismail, K.C.I.E., C.I.E., O.B.E.,
BANGALORE CITY.

My dear Sir Mirza:-

At the meeting which you convened last Tuesday, the 19th, instant, it was agreed to proceed with the formulation of a plan for taking over the present Moulding Plant of the Government Electric Factory, and you were good enough to authorize the drafting of a prospectus for the floatation of a Public Liability Company under the Chairmanship of Mr. A. V. Ramanathan.

The Committee subsequently met on the 22nd, instant to examine and discuss the prospectus which had been prepared by Mr. Sundaramurthy, Mr. Frydman, Dr. Linton and myself. We again met to-day and to my regret, in which Mr. Sundaramurthy and Dr. Linton share, we found at the very outset of the meeting that our deliberations of the previous day, which had appeared both progressive and promising had suddenly foundered.

At the initial meeting at which you presided, it had been my understanding that the Government approved of the floatation of a Public Liability Company, providing the Chairman of such Company would be a nominee of your Government. I had also gathered the impression that there was no objection to Mr. Sundaramurthy and myself holding the position of joint Managing Directors. It appears now that the Committee desire that the Chairman is to act at the same time as Managing Director of the proposed concern and that minor executive positions are to be provided for Mr. Sundaramurthy and myself. In this connection I might state that the object in floating a public liability company for the manufacture and moulding of synthetic resin products was to create an Industry of national scope, for which purpose Mr. Sundaramurthy and myself have undertaken to secure approximately eighteen lahks of Rupees.

I can hardly believe that it could be the laid-down policy of your Government to deny to Mr. Sundaramurthy and myself a voice in the executive councils of the Company, considering that we jointly represent 90% of the Capital. It would seem to me that the Government will be fully protected by the appointment of the Chairman to the Board of Directors, who would have the fullest authority in all matters of policy, leaving however the active management of the business to the Managing Directors, who would at all times be subject to the powers vested in the Chairman.

Having in view all the circumstances, I shall be glad if you will make a strong recommendation to the Chairman of the Committee appointed by you to adhere to the original proposal as made by your goodself of a Government appointed Chairman and to make provisions that Mr.Sundaramurthy and myself be appointed as Joint Managing Directors of the Company.

I have the honour to be, Sir,

Your obedient servant,

M.GEORGE SERLUI.

Telegrams :-"WESTEND."
Telephone No 2123

WEST END HOTEL
BANGALORE

April 25th,1938.

(4)

A.V.Ramanathan,Esq., Chairman,
Mysore Iron & Steel Works,
BANGALORE.

Re Powers Managing Director
Proposed "MYSORITE PRODUCTS CO.LTD.

Dear Mr.Ramanathan,

In compliance with your request, I herewith submit the following suggestions as to the Powers of the Managing Director of the proposed Company, for as far as it is possible to define them:-

The Managing Director shall be authorized,always subject to the special powers vested in the Chairman of the Board of Directors to direct the Management of the Company's business in all its activities as follows:-

STAFF, ORGANIZATION, ADMINISTRATION; FINANCE
MANUFACTURE, SALES, IMPORTS, EXPORTS.

He may appoint and dismiss all servants in the employ of the Company, other than Executive Officers, he may determine the wages or salaries of such servants and employees, increase or lower them, he may appoint Agents and dismiss them, he may regulate the commissions of such Agents, Trade Discounts or Rebates, appoint guarantee brokers and fix the amounts of their guarantees, he may grant credits up to the amount of and not exceeding Rs..................., he may enter into contracts with Manufacturers,Merchants, Manufacturers's Agents, Commission Agents,Brokers,Shippers, Warehouse Proprietors or Agents,Importers and Exporters. He may draw bills of Exchange, drafts,cheques,bills of lading, warehouse receipts, endorse and accept them,and all negotiable and transferrable instruments in the regular course of the Company's business, and generally excercise all powers vested in him from time to time by the Board of Directors.

He may not, unless with the permission of the Board of Directors pledge the creditof the Company, erect,purchase or take or lease or otherwise acquire property, lands,machinery, he may not purchase or otherwise acquire Letters Patent, Brevets d'Invention, Concessions, Licenses, Rights or Privileges subject to Royalty or otherwise, he may not invest and deal with the moneys of the Company, all of which powers shall be excercized by the Board of Directors or with

Telegrams :-" WESTEND."
Telephone No. 2123

WEST END HOTEL
BANGALORE

the consent of the Board of Directors by the Chairman.

The Powers herein set forth are the usual ones granted to the Managing Director of Commercial and Manufacturing Enterprises.

I hope that the information contained herein may be helpful.

Yours sincerely,

M.GEORGE SERLUI.

Telegrams :-" WESTEND."
Telephone No. 2123

WEST END HOTEL
BANGALORE

April 26th, 1938.

5

A.V.Ramanathan, Esq., B.A.
Chairman,
Mysore Iron & Steel Works.,
BANGALORE

My dear Mr.Ramanathan,

Subsequent to our yesterday's conversation at which Dr. Linton was present, you informed us that the Government insist that the Chairman of the Board of Directors must be at the same time the Managing Director and thus direct the management of the Companies business in all its activities, in which I am neither to share or have a voice.

It grieves me to think that the entire management of the proposed Company, which has been a product of my thought and effort, which, in fact, was conceived in my mind and for which I have already done considerable preliminary work at no small expense to myself, is to be taken away from me and that I shall not even be permitted to have a voice in the bringing up and conduct of "my child."

It has been suggested that the sale of the finished products may be entrusted to Mr. Sundaramurthy and myself, yet as sales are closely linked to production and the efficient functioning of the internal mechanism of the entire organization and administration, the success of the sales organization, and through it the profit that the Company will make, is to a great extent dependant upon the centralized management, which in turn must be responsible to the Chairman of the Board.

I was given originally to understand that this centralized management would be entrusted to me, but as this has apparently been ruled out by your Committee and in my desire to afford every assistance for a successful flotation of the "Mysore Products Co., Ltd.", I take the liberty of making the following alternative proposals:-

1. That the Chairman appointed by the Government shall be the Managing Director.
2. That Mr. V. Sundaramurthy and myself shall have ~~x~~ seats on the Board of Directors for a period of 5 years.
3. That the sole selling agency be given to Messrs. Vellum Serlui & Co., Ltd. (now in process of formation) for a period of 10 years, with an option of renewal for an equal period.
4. That the sales commission shall be 5% on the nett amount of the goods invoiced.
5. That all goods are to be invoiced to Messrs.

Vellum, Serlui & Co., Ltd.

6. That all sample collections required are furnished free of charge.

7. That in consideration of relieving the Company of all expenditure in connection with sales, branches, distributing offices, godowns, salaries of salesmen and travelling expenses, the Company undertake to pay to Messrs. Vellum Serlui & Co., Ltd. by way of agency allowance, Rs. 2000/- per month.

8. That the names of all customers of the present molding plant of the Government Electric Factory for bakelite articles be furnished to Messrs. Vellum, Serlui & Co., Ltd.

9. All export business to go through Messrs. Vellum, Serlui & Co., Ltd.

10. That a production committee be appointed, composed of Mr. Sundaramurthy or myself, the Factory Manager and the Technical Manager, in order to insure the utmost efficiency in production.

11. That the usual commission of 5% on all shares of the proposed Company sold either by Mr. Sundaramurthy or Mr. Serlui individually, or by the firm of Vellum, Serlui & Co., Ltd. be paid. This commission is also to be granted to recognized and approved firms of stockbrokers, here, Madras, Calcutta or Bombay.

I should be glad if an immediate decision could be taken on these proposals, and a meeting convened with the least possible delay.

Yours sincerely,

M. GEORGE SERLUI.

Copies to:-

Sir Mirza Ismail,K.C.I.E.,C.I.E.,O.B.E.,
M.Venkatanaranappa,Esq.,B.A.

Rs 20,00,000 [illegible]
of which 10,00,000
to be paid up

Telegrams :-" WESTEND."
Telephone No. 2123

WEST END HOTEL
BANGALORE

Recd 4-50 pm [illegible]

April 27th;1938. ⑥

A.V.Ramanathan,Esq.,B.A.,
Chairman, Mysore Steel & Iron Works.,
BANGALORE.

Dear Mr.Ramanathan,

With further reference to our yesterday's conversation, I take pleasure in informing you that I expect to be able to place among my friends approximately Rs.3,00,000, while Mr.Sundaramurthy will place from Rs.3,00,000 to Rs.4,00,000 among his friends.

We would be grateful if you will recommend to the Provisional Board of Directors, when formed that a special commission of 2½% (two and one half percent) be given us on all shares sold through our intermediary.

Yours sincerely,

M. George Serlui

M.GEORGE SERLUI.

P.S.

As I am anxious to leave Bangalore before the end of the week, I would appreciate it if you could arrange a meeting for final disposal of the prospectus.

Telegrams :-" WESTEND."
Telephone No. 2123

WEST END HOTEL
BANGALORE

Rec at 2.30 pm on 27.4.38

April 26th,1938.

⑦

A.V.Ramanathan,Esq.,B.A.,
Chairman, Mysore Iron & Steel Works.,
BANGALORE.

My dear Mr.Ramanathan,

With reference to our conversation of this afternoon regarding the manufacture of plastic powders from local raw materials, I should like to put forward the following scheme and proposals:-

PRELIMINARY EXPERIMENTS:- These are to be carried out in Bangalore, the Mysore Government to bear the cost of necessary equipment and raw material. The work is to be done in the Mysore Soap Factory and the Indian Institute of Science, since both have already some equipment that will be useful. These powders are to be pressed and their properties determined by the Superintendent of the Government Electric Factory. Assuming that they prove satisfactory, the following steps can be taken. A contract should be drawn up between the Company and me for a period of 5 years, with the option of renewal for a further 5 year period.

It is my intention after having demonstrated the usefulness of the powders, to go on four months leave out of India, and I would contemplate returning to Bangalore about the 1st September, 1938. From that time on, my services would be fully given to the production of powders as well as to further research on other raw materials for the benefit of the Company, and I accordingly feel that my remuneration in the form of a fixed salary of Rs. 2000/- p.m. should go into effect from the date of my joining.

Having regard to the considerable savings which the production of these powders will offer to the Company, I suggest that in consideration of the Rs. 2000/- which the Company will pay me, the following arrangement be made. From the date of the commencement of my services in September, 1938, until the factory starts full capacity production (an estimated period of about 8 months), the sum paid out to me by way of salary will be charged against tonnage produced by me either during this preliminary period or later. Assuming that the sum of Rs. 16,000 has been paid me during these 8 months, I will waive royalty on 100 tons of powder per month at Rs. 15/- per ton until the amount of Rs.16,000/- has been paid off. If during this period more than 100 tons per month is produced, I shall be entitled to receive royalty

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WEST END HOTEL
BANGALORE

on them as per schedule below. My salary, however, is to continue during the time when these powders are being manufactured. After they have been so manufactured, I am to receive royalty on all powders made my these processes on the following scale:

Rs. 15/- per ton on the first 100 tons;
Rs. 10/- per ton on tons 101 - 150;
Rs. 7/8 per ton on tons 151 - 200;
Rs. 5/- per ton on tons 201 and above.

This royalty is to be calculated on a monthly basis and for each powder independently. The monthly salary of Rs. 2000/- is to continue during the term of my contract independent of all royalties. In the event that my connection with the Company is severed for any reason whatsoever, the company will continue to pay royalties at the above rates to me or my estate during the terms of the patents.

I hope that your committee will give favourable consideration to these proposals. Should you wish to communicate with me in my absence from Bangalore, I can be reached at 2, Rainey Park, Calcutta.

Yours sincerely,

RW Linton

R. W. Linton.

? Gwinly
Mr Selwin ad
6th April 1938.
M. 9.4.38.

11

The selling price of a 7 inch hair comb made out of hard rubber is about Rs.12/- per gross. The cost price of a gross of hair combs made from so called "Bakelite" is only Rs.5/8/-, which price includes duty at the rate of 25%. Manufactured therefore in this country from raw materials produced here, with no duty, the cost of one gross of hair combs will be consiberably less. I am advised on good authority that the annual importation of hair combs into India is from 100.000 to 150.000. gross.

Approximate cost and selling prices.

The following are the approximate cost and selling prices of switches, soap-boxes, cigarette-cases, rice finger-soup Bowls, cups and saucers, ash-trays (bowls) with or without advertising, plates and Tumblers.

1. Electrical switch weighs 30 gramm, so one could mould out of 1 K.G. powder of Rs.1/-. 30 switches and the cost price would be with 25% duty ..	Rs.1.0.0
Metal parts to fix into the switches for 30 pcs.	" 1.8.0
30 switches - Gross cost price ..	Rs.2.8.0

Selling price of these switches would be	Rs.2/-	per doz. pieces.
Cost " of " " " "	1/-	" " "
Nett profit ..	1/-	per doz. pieces

1 Gros Soap-boxes weighing 7 K.G. material price	Rs.7.12.0
25% duty	1.15.0
Soap-boxes in material cost price	Rs.9.11.0

Selling price of 1 Gross of Soap-boxes is	Rs.20/-
Cost " 1 " " " " "	9/11/-
Nett profit ..	Rs.10. 5/-

1 Gross of Cigarette cases weighing 10 K.G. price of material	Rs.11.0.0
25% duty	2.12.0
	Rs.13.12.0
Hinges & Elastics per Gross	" 3. 4.0
Cost price of material per gross ...	Rs.17. 0.0

Selling price of 1 gross of Cigarette-cases with name ..	Rs.54. 0.0
Cost " " 1 " " " " ..	17. 0.0
Nett profit	Rs.37. 0.0

1 Gross of rice-finger soup Bowls weighing 7 K.G. cost of material	Rs.7.12.0
25%	1.15.0
Cost price of material per Gross ..	9.11.0

Selling price of 1 gross rice-finger-soup Bowls	Rs.20. 0.0
Cost " " 1 " " " " "	9.11.0
	Rs.10. 5.0

and saucer weighing 14 K.G. per Gross, price of material ..	Rs.15. 7. 0
25% duty	4. 6. 0
	Rs.19.13.0

Selling price of 1 gross of Cups & Saucers	*Rs.50- 0-0*
Cost price of 1 " " " " "	*" 19.13.0*
Nett profit ..	*Rs.30. 3.0 per gross*

Ashtrays (bowls) have the same weight as cups and Saucers so that the selling price will be Rs.50/- per Gross and the cost price of the material will be Rs.19.13.0

Nett profit Rs.30.3.0 per gross

Plates weighing per 1 Gross 10 K.G. price of material	Rs.11/-
duty 25%	Rs. 2/12/-
Cost price ..	Rs.13/12/-

Selling price of 1 gross plate	Rs.54. 0. 0
Cost price " 1 " "	13.12.0
Nett profit	Rs.40. 4.0 per gross

1 Gross Tumblers weighing 11 K.G. price of material	Rs.11. 0. 0
25% duty	2.12. 0
Cost price	Rs.13.12. 0

Selling price of 1 gross Tumblers ..	Rs.54. 0.0
Cost " " 1 " " ..	13.12.0
Nett profit ..	Rs.40. 4. 0

The following are the prices of powders which are to-day imported into India:-

TROLITAN costs from Rs.1/- to Rs.1/8 per K.G. c.i.f. Indian Port.

POLLOPAS costs Rs.1/12 per English Pound, c.i.f. Indian Port.

TROLIT and TROLITUL the so-called Injection Powders cost ₨.3/- per K.G. c.i.f. Indian Port.

TROLON costs from ₨.4/12/- to Rs. 7/8 per K.G. c.i.f. Indian Port.